THE FINANCIAL POST

OF CANADA

The Canadian Newspaper for Investors

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RAILWAY NATIONALIZATION NOT TO COME UP FOR ANOTHER YEAR ACCORDING TO LATE ADVICES

Problem Too Big to be Handled at the Present Time.

ACTIVE LOBBYING NOW ON

Assistance for Railways May Be Needed—The Question Will Be the Big Issue at the Next General Election.

THE FINANCIAL POST feels that it can be safely stated that any Government action toward the nationalization of Canadian railways will be shelved for a year. There has been much talk of Government action, and unquestionably the problem will be very much to the fore during the present session; but from information that has been secured from authoritative sources, and also from a careful study of the situation, THE FINANCIAL POST considers it practically certain that nothing definite will be undertaken during the term specified. Divergent opinions are given in political circles, but among railway men the opinion has grown almost to the point of conviction that any move towards a permanent solution will be held over.

The first essential piece of information bearing on that point is the announcement that the Royal Commission appointed last year to consider the situation will not report to Parliament until April. The statement to be brought before the House will be an interim report, and a more complete report, it is promised, will be ready in the autumn. It is certain that so stupendous an undertaking will not be considered until the full Commission report is available. There is reason to believe also that the Government has decided on the policy of laying aside all problems not directly related to the prosecution of the war when they are of such magnitude that they would distract national attention from the vital issue and in any way curtail national resources. THE FINANCIAL POST believes that this was clearly laid down by Sir Robert Borden in the correspondence, recently given out, relating to the extension of the life of Parliament. Although the correspondence is over a year old, a principle is laid down by the Premier that, it is logical to suppose, is still being adhered to. In Sir Robert Borden's letter of November 9, 1915, it is clearly stated that "during the continuance of the war the Government intended to confine its programme to measures relating to or arising out of the war. It had not in contemplation or under consideration at the time any measure of general policy."

The Cost of Nationalization.

Over a year has passed since that letter was written, and the railway situation has unfolded since, but nothing has transpired that is likely to alter the decision contained in the first phrase to the effect that "the Government intended to confine its programme to measures relating to or arising out of the war." When it is figured that the taking over of the Canadian Northern Railway and the Grand Trunk Pacific would mean a national investment in the nature of $500,000,000, and that if the C. P. R. were included in the scheme, the total would be doubled, it will be seen that the scheme is of too colossal a magnitude for a country at war to consider.

Railway Legislation Pending.

It is probable, however, that legislation will be introduced to cover the situation in the meantime. Just what form this will take it is impossible to say, but some form of assistance will be required.

At present the railway agitation is waxing keen in Ottawa, and the lobby is begun in real earnest. It is said that the C. N. R. will ask for further assistance from the Government, and that strong opposition will come from C. P. R. interested. Unquestionably, however, the C. N. R. is in a greatly improved position from last year, and this is proving a factor in crystallizing the resolution to leave over the consideration of nationalization. The heavy deficit experienced by the C. N. R. during the first year following the war has been reduced to the point where earnings are almost taking care of total charges. For that reason the question of support for the C. N. R. will not be so serious a problem this year. In this conneciton, however, it should be borne in mind that during the present year the C. N. R. must meet maturing securities to the tune of $17,232,500—a formidable total.

Big Issue of the Future.

It seems reasonably assured, therefore, that the question of nationalization is one for the future, no matter what railway legislation may be introduced during the coming year. In railway circles, as stated before, this impression is general, but among transportation men it is recognized that nationalization is going to be the big issue of the next election, when it comes. They realize that, when the business of making war has been finished, Canada will turn in real earnest to her transportation problem.

MASSEY-HARRIS.

Further Advances in Company's Products—Big Russian Order.

The Massey-Harris Company may before long make further advances in most lines of their product, in addition to those already in force, according to the latest information which has reached THE FINANCIAL POST. Difficulties in the material and labor market are, as in most cases of the kind, the chief causes of this state of affairs. The prices of both have advanced considerably and hand-in-hand with a more pronounced shortage, which has been in no way relieved by advances in cost. Unskilled labor is more plentiful than during the summer, but in no way solves the problem of the shortage of skilled, as the latter incline to move on into higher-paid work, after having been rendered more efficient. The shortage of coal, coke and iron, particularly pig iron, is mentioned as the chief trouble in the material line. And over all hangs the increasing difficulty of securing adequate transportation facilities.

A sale of 2,000 binders has been made to the Russian Zemstov, which corresponds to our Department of Agriculture; no particular significance is attached to the sale, particularly in view of the fact that the cutting-off of the market of the Central Powers, and Turkey entailed losses in this respect, much larger than any gains made since, as they constituted a most important section of the market. It is stated that in a general way only one-half to two-thirds the normal amount of regular business is being transacted, although inversely twice the effort is required to get it. The shell business of the company, although on a fairly extensive basis, is not on the profitable basis that it is generally credited with.

In connection with the Russian business it is further stated that there has been no special increase in sales over last year. A branch office and staff is maintained in office in line with the company's policy to secure export business wherever possible.

BROMPTON DIVIDEND.

Directors Make Declaration—Statement of Earnings.

The directors of Brompton Pulp & Paper, at a meeting at Montreal on Friday, declared a dividend of one per cent. and bonus of ¼ of one per cent. on the common stock for the quarter ending January 31. The earnings for two and one-half months ending January 15, over fixed charges, were $335,367.88; cash on hand and accounts receivable, $1,044,000; accounts and bills payable, $220,346.

SHAREHOLDERS' LIABILITY.

Order of Court Calls for $282,295 in Case of Bank of Vancouver.

By an order of Chief Justice Hunter, in the Supreme Court in Vancouver this week, ninety-four shareholders of the Bank of Vancouver are made liable for an amount aggregating $282,295, representing unpaid calls on 1,707 shares. Shareholders who are soldiers are made exempt from the order, in the meantime at least. Liquidator Buchan, in his report to December 31st, states that the bank's liabilities were $639,563, with cash assets of $17,332.44. There are other assets which, although not realizable just now, are valued at $340,150, which leaves a total deficit of $282,081. Of the liabilities, $225,000 is owing to the Minister of Finance at Ottawa on account of the bank's circulation redemption fund; $102,834 to the Government of B. C., and $266,858 to depositors at the time of the winding-up order. It is quite probable that the liquidator will again call on the shareholders under the double liability clause of the Bank Act.

AMERICAN FIRE COMPANIES CANCEL MUNITION RISKS

As a Result of Losses in Connection With U. S. Munition Plants, Some Companies Take Action Here.

That as a result of the heavy losses in connection with the destruction of the munitions plants of the Canadian Car and Foundry Company at Kingsland, N.J., and the Du Pont Powder Company's plant at Haskell, N.J., certain American fire insurance companies have cancelled policies on at least two munitions plants in Canada, was made known this week. As indicated in the article published on page 14 of this issue, this policy is being pursued pretty generally in the United States, and it was, therefore, by no means unnatural that such action would be taken by the American companies in dealing with similar risks in Canada.

A difference between the American and Canadian risk is pointed out by insurance men. They state that in the United States fire companies have more to fear from the alien labor element than in Canada. In the American munitions plants it is impossible to take the same precautions against the employment of dangerous characters as in Canada, where not only are alien enemies registered, but plants are more strictly guarded.

Possibly for these reasons, the British and Canadian companies and some of the American companies are not taking such drastic action in the case of Canadian plants. Of course, the only risks being questioned are those on plants where the shells are actually being loaded, and where in consequence high explosives are in use. The number of such plants in Canada is not large and, therefore, the problem is not such a serious one.

The viewpoint of insurance men in Montreal was secured by THE FINANCIAL POST. The question was asked as to whether there was any likelihood of similar action being taken in Canada as in the United States. The impression appeared to be that, while the experience of the majority of the companies with the munitions business had been adverse, there was no talk of cancelling policies.

"We will probably be a little more cautious in the future, however," said one manager. "The business has been a losing one for us in the past."

EMBARGO ON SCRAP.

New York Hears That There Will be a Modification.

Some months ago the Canadian Government placed an embargo upon the exportation of scrap iron and scrap steel. At the end of the year there was a report that it would be removed, but the Merchants' Association of New York has been advised that there has been no change made in the order, although licenses are being issued for the exportation of steel borings and turnings up to the end of the month, and the question of a further extension is under consideration.

BRITISH VIEW OF STEEL TRADE AFTER THE WAR

Expectation That Chief Competition Will be From America

GERMANY HANDICAPPED

Is Not Likely to be in a Position to Re-commence Her System of Subsidizing Which Was the Mainspring of Export Business.

Recent developments in the industrial world have served to direct attention to the possibilities of future developments—particularly after the conclusion of the war. No other industry has been affected by the conditions resulting from the stupendous military operations to a greater extent that steel and allied trades. Depressed in the early period of the war by the reduction of consumption, the demand for munitions has been such as to result in an unprecedented output at high record prices. The question then arises as to what will happen when this abnormal consumption ceases. In America attention is being directed to Europe, where England and Germany are the great steel producing countries. This attention has recently been emphasized in the public mind by the tender of Hatfields, Ltd., of Sheffield, England, for American naval shells, at prices far below those of American firms and on terms of delivery much more favorable. That a British firm, evidently with the cognizance of the War Office, has been able to do this while war is still being waged, is taken as an outstanding example of what developments have taken place in England since August, 1914. The tender has been regarded as particularly significant following, as it does, the cancellation in the United States of extensive munitions orders for the Allies.

In England we find every indication that at the close of the war Great Britain will be a keener competitor than ever in world trade. Industrially, that country has been aroused as never before. Although millions of men have been taken for military service, finished steel goods are being turned out at the rate of nearly 3,000,000 tons a year more than before the war. This not only indicates a radical increase in manufacturing capacity by new plant and machinery, but, and this is probably even more important, there are on every hand evidences of improved methods—of aggressiveness which has long been lacking in British industry—and signs are not wanting that the same efficient methods in production will be in evidence in marketing organization when conditions return to the normal. Managers are adopting improved methods, skilled men are speeding themselves up, unskilled men are acquiring skill and women are developing a wonderful efficiency. Both employers and workmen have been brought to see the advantages of large steel production and they will re-enter the competition for the world's normal steel trade with those advantages strongly impressed upon them.

Dealing with the question of after-war competition for the trade in iron, steel and engineering, the Sheffield correspondent of *The Economist* expresses the opinion that Britain will regain her recently lost supremacy in the exportation of steel and steel products. Three entries are named in the race for this trade—American, Britain and Germany. Britain, it is pointed out, is dependent on exportation to even a greater extent than America or Germany, which are great agricultural countries. The outlook for competition with the latter nation is first dealt with. The increasing part that Germany was playing in the export steel trade prior to the war is admitted. The exportation of 800,000 tons of iron and steel in 1900 having risen to 6,000,000 tons in the last twelve months prior to August, 1914, while in the same period British exports had only increased from 3,300,000 tons to 5,000,000 tons.

The opinion is expressed by this correspondent that one result of the war will be to change the character of German competition. In this connection it is pointed out that the very mainspring of German competition before the war was the subsidizing of exports. After the war it is felt that German finances will be too depleted to permit of anything like the old subsidizing and bounty-feeding of exports while colossal losses in men should make a big difference in productive power.

The great competition is, therefore, expected to be between Britain and America. In this connection the writer says:—

> It is, therefore, quite possible that the world will only have two really great manufacturing countries to draw upon for steel goods for some years after the war. Germany will be at least partially crippled and penalized and boycotted. But there remains the question of American competition. Now, the natural resources of the United States are, of course, enormous. The country's coal and iron reserves are almost infinitely greater than ours. The Ameri-

Continued on page 6.

BUILT 500 SUB. CHASERS IN FIVE HUNDRED DAYS

Record Achievement of Canadian Vickers Co. Figures in Electric Boat Report.

In announcing the doing of a contract for the construction of 21 submarines for the United States Government, involving an expenditure of $17,000,000, H. R. Carse, president of the Electric Boat Co., stated that the Electric Boat Co.'s net earnings for the year 1916 would be in excess of $6,000,000, and from the large number of enquiries received to date, the prospects for years to come were very bright.

It was explained at the office of the company that special orders completed by the company consisted principally of 500 "submarine chasers" — high powered, speedy motor boats, armed to fight submarines. These were built in Canada for the British Government. The 500 boats, it was said, were built in 500 days, the order having been completed last October.

In addition, the company built twenty submarines for the British Government, part of which went across from Canada, although a number were interned in the Charlestown navy yard to prevent a violation of neutrality.

Readers of the FINANCIAL POST will be interested in learning that the 500 boats referred to by the Electric Boat Co., as a great building feat, were turned out in the yards of the Canadian Vickers Co., of Montreal. They were finished, as stated, at the rate of one a day, but the Electric Boat Co. contributed nothing towards the task.

DOMINION BANK.

Substantial Increase in Profits Shown in Annual Report.

From the standpoint of recovery of earning power the record of the Dominion Bank for 1916, as shown in the annual statement, is a very satisfactory one, and one which should appeal to the shareholders of the institution. Not only is there an increase from $870,966 to $969,065, as compared with last year, but the latter amount is a new high record in the bank's history, the previous high mark being in 1913, when the profits were $950,402. In addition to dividends, pensions, patriotic funds and taxes, there was deducted $100,000, which was written off on bank premises, which still left a considerable balance, the surplus increasing from $344,439 to $363,442. Following are comparative figures:

	1916.	1915.	1914.
Bal. for'd.	$ 344,439	$ 284,316	$ 647,688
Profits	969,065	870,966	925,365
Total	$1,313,504	$1,155,282	$1,573,053
Dividends	$ 720,000	$ 720,000	$ 835,237
Pensions	25,000	25,000	25,000
Patriotic funds	29,500	......	28,500
Taxes	75,562	65,843	......
Bank premises	100,000	......	100,000
Invest. accts...	......	......	300,000
Balance	363,442	344,439	284,316
	$1,313,504	$1,155,282	$1,573,053

A review of the balance sheet will be presented in our next issue.

PAPER MEN ARE WAITING FOR THE BLOW TO FALL

Decision of Finance Minister on Price Difficulty Daily Expected.

MANUFACTURERS' POSITION

They Want It Made Clear to Foreign Investors That the Regulation is War Measure Purely.

The sword of Damocles, in the shape of the decision of the Finance Minister, is still suspended over the heads of the Canadian paper manufacturers, who are daily awaiting the verdict of Sir Thomas White as to what action will be taken to compel them to supply paper to Canadian publishers at low rates.

After a series of conferences between the manufacturers and publishers, the last of which was held in this city last week, the Minister of Finance was informed that the contending interests had found it impossible to reach an agreement, and the matter is therefore in his hands. He has informed the manufacturers that three courses are open to him.

One is to place an embargo on the export of pulp and paper to the United States.

A second is for the government to take over and operate the mills.

The third is to fix a maximum price at which paper may be sold in this country.

Mr. Campion's Views.

A. G. Campion, of the Belgo-Canadian Pulp and Paper Co., Ltd., and chairman of the news section of the Pulp and Paper Association, with whom the negotiations were conducted on behalf of the manufacturers, in discussing the situation with THE FINANCIAL POST, that he considered the imposition of an embargo as a very dangerous and suicidal weapon to use in that connection.

"What would be likely to happen?" he asked.

"The United States might at once retaliate by putting on an embargo on coal and many other articles. Are you aware that not one of the paper manufacturers of Canada has more than four days' supply of coal ahead. Their supply is secured in the United States and such retaliatory measures as I have suggested might mean the shutting down of every paper mill in this country."

With regard to government operation of the plants, Mr. Campion said that paper making was a highly specialized industry, and with the present high cost of labor and materials, he did not look forward with any degree of optimism to the likelihood of relief being secured by the adoption of that course. The effect upon industry generally would be highly injurious in Mr. Campion's opinion.

"Foreign capital would look askance at Canada if the government development the habit of interfering with the industries of the country. The paper industry would not be the only one to suffer."

The third course, and the one which it is believed will be followed by the Minister of Finance, is the fixing of a maximum price for the sale of paper in this country.

A War Measure Purely.

"We have asked the Minister," said Mr. Campion, "if he finally decides to fix a price, to at the same time, issue a public statement to the effect that the action has been taken solely as a war measure. Our object in making this request is to prevent the government's action from being misinterpreted in the great achievement of Canadian industry. We want it made clear to the world that the proposed dictatorship is due purely to war conditions, and is not likely to become a regular thing. If that is done the harmful effect upon the

Continued on page 7.

BANK OF MONTREAL

Established 1817

Capital Paid up, $16,000,000. Reserve Fund, $16,000,000.
Undivided Profits, $1,414,423.
Total Assets - - - $365,215,541.

BOARD OF DIRECTORS:
Sir Vincent Meredith, Bart., President
C. B. Gordon, Esq., Vice-President
R. B. Angus, Esq. E. B. Greenshields, Esq. Sir William Macdonald
Lord Shaughnessy, K.C.V.O. C. R. Hosmer, Esq. A. Baumgarten, Esq.
H. R. Drummond, Esq. D. Forbes Angus, Esq. Wm. McMaster, Esq.
Capt. Herbert Molson Harold Kennedy, Esq.

Head Office: MONTREAL

General Manager—Sir Frederick Williams-Taylor, LL.D.
Assistant General Manager—A. D. Braithwaite

Branches and Agencies { Throughout Canada and Newfoundland
Also at London, England
And New York, Chicago and Spokane in the United States

THE MERCHANTS BANK OF CANADA

Established 1864 *Head Office, MONTREAL*

President—Sir H. Montagu Allan, C.V.O. Vice-President—K. W. Blackwell.
Managing Director—E. F. Hebden. General Manager—D. C. Macarow.

Paid-up Capital - - - $7,000,000
Reserve Fund and Undivided Profits, 7,250,984

206 Branches and Agencies in Canada, extending from the Atlantic to the Pacific.

A General Banking Business Transacted

Special attention given to Collections. SAVINGS BANK DEPARTMENT AT ALL BRANCHES.

Commercial and Travellers' Letters of Credit issued, available and payable, respectively, in all parts of the world. Travellers' Cheques issued in convenient denominations, payable at par throughout the world.

TORONTO BRANCH, A. B. Patterson, Manager

THE BANK OF BRITISH NORTH AMERICA

Established in 1836 Incorporated by Royal Charter in 1840

Paid-up Capital - $4,866,666. Reserve Fund - $3,017,333.33

Head Office—5 GRACECHURCH STREET, LONDON
HEAD OFFICE IN CANADA—St. James Street, MONTREAL
H. B. MACKENZIE, General Manager

Advisory Committee in Montreal
SIR HERBERT B. AMES, M.P.
W. R. MILLER, Esq. W. R. MACINNES, Esq.

This Bank has Branches in all the principal Cities of Canada, including Dawson (Y.T.) and Agencies at New York and San Francisco in the United States. Agents and Correspondents in every part of the world.

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Drafts, Money Orders, Circular Letters of Credit and Travellers' Cheques issued negotiable in all parts of the world.

Savings Department at All Branches

ESTABLISHED 1875

IMPERIAL BANK OF CANADA

CAPITAL PAID UP $7,000,000 RESERVE FUND $7,000,000
PELEG HOWLAND, President E. HAY, General Manager

HEAD OFFICE: TORONTO

A general banking business transacted.
Domestic and Foreign Exchange Bought and Sold.
Collections made throughout Canada and in Foreign Countries.

17 Branches in Toronto. 119 Branches in Canada.

5% AND ABSOLUTE SECURITY

Over 200 Corporations, Societies, Trustees, or Individuals have found our Debentures an attractive investment. Terms one to five years.

THE EMPIRE LOAN COMPANY, Winnipeg, Man.

The Standard Bank of Canada

QUARTERLY DIVIDEND NOTICE No. 105

NOTICE is hereby given that a Dividend at the rate of THIRTEEN PER CENT. PER ANNUM upon the Capital Stock of this Bank has this day been declared for the quarter ending 31st day of January, 1917, and that the same will be payable at the Head Office in this City, and at its branches on and after THURSDAY, the 1st day of February, 1917, to Shareholders of record of the 22nd of January, 1917.

The Annual General Meeting of Shareholders will be held at the Head Office of the Bank in Toronto, on Wednesday, the 28th of February next, at 12 o'clock noon.

By Order of the Board,
G. P. SCHOLFIELD,
General Manager.

Toronto, December 19th, 1916.

The Weyburn Security Bank

HEAD OFFICE, - WEYBURN, SASK.

EIGHTEEN BRANCHES IN SASKATCHEWAN.
Authorized Capital, $1,000,000.

DIRECTORS:—Alex. Simpson, Pres., Minneapolis, Minn Jos. Mergens, Vice-Pres., Weyburn, Sask. J. A. McBride, Weyburn, Sask. Frank Moffet, Weyburn, Sask. H. N. Morphy, Weyburn, Sask. S. E. Oscarson, White Rock, S.D. Chas. A. Johnson, Weyburn, Sask. H. O. Powell, Gen. Mgr., Weyburn, Sask.

A General Banking and Foreign Exchange Business Transacted.

NEWS OF SECURITIES—Peace Stocks are Stronger

STEEL STOCKS

Continuation of Process of Readjustment to Peace Basis—Increased Furnace Capacity.

The tendency of the market for Canadian steel securities has for the most part shown a continuation of the settling process which has been in progress with more or less regularity since the break which accompanied the peace talk in December. The week-end, however, brought a better tone. The theory advanced from certain quarters that the cancellation of munitions orders in the States and the increase of such business in Canada would have the effect of placing the Canadian war stocks on a different plane to those which figure on Wall Street, is still mentioned as a factor for strength. Sentiment still seems to favor an adjustment to a peace basis, although the announcement of the erection of another large steel plant at Toronto by the Imperial Munitions Board would not indicate that present Canadian capacity will be lax for some time to come or that an early end of the conflict is being counted on. The fact, too, that the placing of the additional shell orders in Canada has been followed by the appearance of additional offers for shell steel in the American market from this side of the line would seem to indicate that the capacity operation of Canadian steel producers is assured for a considerable period.

The Imperial Munitions Board is reported to have closed contracts for ten electrical furnaces with a capacity of 60 tons of steel per day and there is another report that either the Munitions Board or Canadian munitions manufacturers have secured electrical furnaces that will produce about 100,000 tons of high grade shell steel for the second half of the year 1917. Apparently the exigencies of the war are making the electrical process of steel production a commercial possibility. The Dominion Government and the Algoma Steel Corporation investigated the question about 10 years ago, but very little has been done outside of the field of the manufacture of ferro products at Welland.

The furnaces will probably be used at the new plant to be built for the Imperial Munitions Board on the Toronto Harbor Industrial District, the initial capacity of which will be 300 tons per day.

NOVA SCOTIA STEEL.

It seems generally understood that there will be no merger of the Dominion Steel and Scotia. The raw materials of Scotia are adequate to warrant the establishment of more extensive finishing plants. There is some indication that American interests would be quite willing to put more capital into the business so that Scotia can work out an all-round industry without merging with the Dominion Steel Corporation.

DOMINION STEEL.

There has been very light trading in Dominion Steel with a slightly downward tendency in stocks, especially at the beginning of the week. Rumors of good profits for the year grow as the fiscal year nears an end, but the corporation has been cautious and investors should not be too sanguine about early dividends.

STEEL COMPANY OF CANADA.

There has been a slight decline in Steel of Canada, and sales have been very light. At the present price the stock is yielding less than 6 per cent., though there are of course other securities in Canada yielding less. Dominion Steel pays no dividend but leads Steel of Canada in the market

PULP AND PAPER

Stocks in This Group Experience a Very Quiet Week at Declining Prices.

The past week has been the most inactive in the pulp and paper group since the movement in these securities began early last fall. The market for them has been practically dead. One or two stocks in the group have been traded in feebly, but, regarded as a whole, the paper issues have been decidedly quiet.

Price movements have been mixed. three of the seven active stocks, as indicated in the table which follows, enjoyed slight gains; three experienced declines; one remained stationary. The net result was a loss of about 4½ points for the group.

	Close Jan. 11	Close Jan. 18	Change
Laurentide	*193	190	— 3
Riordon	121	122	+ 1
Spanish, com.	16¾	16½	—¼
Spanish, pref.	59	55	— 4
Wayagamack	95	95	..
Brompton	60	61	+ 1
North American	8	8¾	+¾
Net change for seven stocks			—4½

*Last sale made Jan. 6.

A possible reason for the present lack of interest in the pulp and paper stocks is the uncertainty that surrounds future developments in connection with the relationship between the manufacturers of newsprint and the newspaper publishers. As published exclusively in the FINANCIAL POST last week, the manufacturers were asked by Sir Thomas White to accept a $10 per ton increase on all former low-priced contracts with Canadian newspaper publishers. Failure to do so was to be followed by the application of compulsory measures to bring down the price.

That the manufacturers have declined to accede to the Minister's suggested compromise is indicated in the interview with Mr. Campion of the Belgo-Canadian Pulp and Paper Co., which appears on the front page of this week's issue. The next move, therefore, comes from Sir Thomas White and it is because of the uncertainty involved in probable government action that the market has adopted a waiting attitude towards the pulp and paper stocks.

LAURENTIDE.

There was slightly more buying and selling of Laurentide stock this week than last. The price, however, has been practically stationary around 190.

RIORDON.

Between Monday and Thursday only 35 shares of Riordon stock changed hands. This is a big change from the days last fall, when transactions occasionally ran up into the thousands of shares per day and were invariably well up in the hundreds. The closing price was 122, at which the stock was slightly better than last week.

SPANISH RIVER.

A single share of Spanish River preferred was sold on Thursday, this being the only sale of the week. It changed hands at 55, at which it was four points under the close of a week ago. The common shares were not dealt in to any much greater extent, 57 shares selling at 16½.

WAYAGAMACK.

Only a couple of small lots of Wayagamack stock changed hands this week, an indication of how the interest in such stocks has waned of late. The price for both lots was 95, which has been the level of the past two or three weeks. The company is reporting an increasing output of kraft pulp and paper and announce that by May 1 their production will reach 200 tons a day.

BROMPTON PULP.

Brompton Pulp was one of the few stocks in the pulp and paper group to show any degree of activity this week. It advanced from 60, the price at which it closed last week, to 62¼, reacting on Thursday to 61. It is reported that the directors of the company, who will meet on Saturday, will put the common stock on a four per cent. dividend basis, with a possible initial quarterly distribution of 1 per cent. It is possible that this will be supplemented by a bonus of probably ¼ of 1 per cent. The company in its present form started operations on November 1. Its first quarter will end on January 31, and it is understood that the company will issue quarterly earning statements.

TORONTO PAPER.

After being untraded in for several weeks, a few transactions in Toronto Paper stock went through this week on the Toronto Exchange at prices ranging between 72 and 73. R. S. Waldie, president of the company, informs THE FINANCIAL POST that business in the various lines of paper manufactured by them continues good. There is, however, a very serious difficulty in securing a steady supply of raw materials and coal. While contracts exist for the furnishing of these materials, they are not being delivered freely and production is accordingly handicapped. Such companies as Toronto Paper, which are dependent on other companies for their pulp and other materials, are at a disadvantage compared with companies which produce their own supplies. This will have its effect on profits and while the company is doing well, returns are not to be compared to those of companies which have their own pulp supply to draw from.

PORT ARTHUR PULP.

It is now pretty generally known that the new project for the establishment of a sulphite pulp mill at Port Arthur by the recently incorporated Port Arthur Pulp & Paper Company, Limited, has the backing of interests actively associated with the Provincial Paper Mills, Limited, and that the new mill is intended to provide a supply of raw material for the mills of the latter company. The plant of the company will eventually have an output of 150 tons daily and the first unit will be completed within twelve months. It will have a capacity of 50 tons daily. Thomas Murphy, late chief engineer of the Mattagami Pulp & Paper Co., will be chief engineer, and as already stated in these columns, A. G. Pounsford, late safety engineer of the Ontario Pulp and Paper Makers' Safety Association, will be general manager. The company's office is located in the Telephone Building, Toronto, where the general offices of the Provincial Paper Mills are also to be found.

RAILROADS

An Upturn in the Market for Canadian Pacific—The Situation at Ottawa.

In the Canadian railway situation interest now centres around the possible developments in connection with the Grand Trunk Pacific and the Canadian Northern following the inquiry of the special commission bearing upon the future of these systems in which the Dominion Government is to a considerable extent financially involved. In another column THE POST presents the argument that in view of the political situation and the financial conditions prevailing it is not probable that anything will be done for at least a year. The report of the commission is not likely to be long delayed, but it is not expected to recommend immediate action and, in any event, that is a matter which is in the hands of Parliament.

In the improved tone of the trading as regards securities recognized as being in the "peace" class, railway stocks have strengthened. There has been a considerable recovery in Canadian Pacific, which has been to some extent reflected in London, although in that market other Canadian transportation securities have recently been little changed.

It is hoped that the reduction of passenger train service in Central Canada will relieve the congestion of freight which has of late been growing very serious and has been handicapping trade and industrial operations generally. A shortage of coal is also a serious feature and there are still complaints of car shortage in parts of Western Canada. With the increased facilities provided for the movement of freight it is expected that the abnormal situation will be relieved when water navigation again opens at the end of April.

For the second week of the year there was a big increase shown in the returns of the three big systems, earnings being larger by $837,414.

For week ending January 14.

	1917.	1916.	Change.
C.P.R.	$2,417,000	$1,863,000	+$554,000
C.N.R.	646,100	469,300	+ 176,800
G.T.R. . ..	1,072,915	966,301	+ 106,614
	$4,136,015	$3,298,601	+$837,414

CANADIAN NORTHERN.

Following the publication of the second annual report of the Canadian Northern system, which shows a substantial improvement in earnings, the deficit, after allowing for operating expenses and all fixed charges, being reduced to less than a quarter million dollars—there is a growing opinion that the company is now in a position to carry itself through with a certain amount of aid and that, under the circumstances, it will be allowed by the Government to work out its own future. That this will be the case, rather than that the system will be taken over by the Government, is indicated by the recent alliance of the Canadian Northern with the Cunard Steamship Company, which gives to the C.N.R. a service on both the Atlantic and the Pacific.

The company has large financial obligations coming due in 1917, but as yet no definite information can be obtained as to what the company's plans are in this connection.

For the second week in January the gross earnings of the Canadian Northern Railway amounted to $646,100 compared with $469,300, for the corresponding period in 1916, an increase of $176,800, or 37.8 per cent. This increase compares favorably with the figures for the previous week when the gain was $57,600 or 10.7 per cent. Following are comparative figures for the two first weeks in January:

	1917.	1916	Increase.	%
Jan. 7.....	$598,700	$541,100	$ 57,600	10.7
Jan. 14.....	646,100	469,300	176,800	37.8

From July 1, to date, the earnings were $22,876,300, and for the corresponding period last year $18,362,000, an increase of $4,514,300.

GRAND TRUNK.

Grand Trunk securities show some slight tendency to weaken in London this week. The first preferred was unchanged at 68, but the second preferred declined from 27¼ on Monday to 26½ on Thursday, and the ordinary from 10⅝ to 10⅜.

Gross earnings of the Grand Trunk Railway for the second week in January amounted to $1,072,915 compared with $966,301 for the corresponding period last year, an increase of $106,614. The earnings for the first two weeks in January compare as follows:

	1917.	1916.	Increase.	%
Jan. 7..	$1,012,906	$880,702	$132,204	15.02
Jan. 14..	1,072,915	966,201	106,614	11.03

CANADIAN PACIFIC.

With increasing earnings and further evidence of the tendency to adjust security values to a peace basis, and probably too, with the recognition of the fact that the placing of additional large munitions orders in Canada will be a factor in maintaining heavy freight movements in this country, there has been a strong upturn in Canadian Pacific securities with sales fractionally above 164 as compared with 158 at the close of last week. London has also shown improvement at 171¼ on Thursday against 170 on Monday.

Canadian Pacific Railway gross earnings for the week ending January 14, amounted to $2,417,000, compared with $1,863,000 for the corresponding period in 1916, an increase of $554,000, or 29.8 per cent. Comparative figures follow:

	1917.	1916.	Increase	%.
Jan. 7...	$2,238,000	$1,874,000	$364,000	19.4
Jan. 14.	2,417,000	1,862,000	554,000	29.8

TEXTILES

Securities Quiet on Market—Caution Being Displayed as to Deferred Orders.

Textile securities remained very quiet this week, the few sales being recorded at last week's quotations, and no tendency visible of any decline.

From the retailer's standpoint evidences continue of a growing cautiousness in buying, and it is certain that, save where the wholesaler can show a price that falls considerably below the current quotations of the mills—due mostly to having stocks on hand bought at lower figures—purchases will be of the "hand-to-mouth" variety, that is taking only what is absolutely necessary.

A leading wholesaler, speaking on Thursday to FINANCIAL POST, stated that he had ceased to urge the retailers to buy heavily of any line; and where a year ago he would advocate his taking 10 pieces where 2 or 3 was his normal buy, now except in special cases he rather kept the brakes on.

"We do not want the merchants to load up and then find themselves compelled to sell at a loss when the decline comes.

"So far as the security value of the stocks is concerned, they should hold high for a long time, as they have no stocks piling up; their whole output is sold months before for spring, and the same will apply to their fall lines, which will be announced in March, and in which deliveries will keep coming along—not stopping in June, as ordinarily—and trickle through until well on into the fall. All they sell should be at a good profit."

CANADIAN COTTONS.

There has been little movement or activity in the securities of Canadian Cottons recently; in fact there has been very little trading this year. There were some sales of common towards the close of last week at 56 and the preferred this week brought 80, as compared with 78 last. General conditions in the trade may be applied to the company's position.

MONARCH KNITTING.

On Thursday there were sales of Monarch Knitting common at 40, which is about the same level as previous transactions at the opening of the year. There were sales of the preferred last week at 80, which showed no change from the previous price.

DOMINION TEXTILE.

Complaints from the trade as to very backward conditions in deliveries continue to be heard, and there is a tendency to blame the company for accepting more orders than they could fill, except after long and exasperative delays. The stock continues at 81½ and 82.

MILLING

Securities Show Better Tone—A Firm Tendency in Flour Situation.

The milling securities have during the week received a fair share of attention in relation to the general trading which, while small in volume, compared with the activity in the latter part of the year, showed improvement with the generally better attitude displayed towards "peace" stocks. At the same time, the price tendency has been upward, although the gains recorded have not been very great.

Wheat prices during the past week have remained fairly constant, a tendency that has been reflected in the flour market. No change has occurred to the present, though there is a general feeling of strength, which seems to be due mainly to the known shortage of world supply that is being more emphatically brought to the public attention daily. A recent Washington despatch from consular sources puts the Argentine wheat supply at only a million tons, as against the normal output of two million five hundred thousand tons. The Canadian milling for other than export purposes is comparatively light. There is a good deal of uncertainty on the part of the milling interests owing to the British Government regulation regarding flour. This has to some considerable degree checked export. Up to the present no change has been made here in the milling method, the Government requirements being met by milling a particular grade of grain, rich in the required constituents. It is a problem, however, that is causing a good deal of anxiety on the part of the millers and energetic representations are being made with the hope of modifying the regulations. W. W. Hutchinson, of the Lake of the Woods Milling Co., and Thomas Williamson, of the St. Lawrence Milling Co., have been representing the Canadian millers in London, and are co-operating with Sir George Foster in endeavoring to further this aim. The problem, however, seems to be one of peculiar difficulty, and it is very doubtful if the Canadian millers will be able to obtain any concessions at present time.

These conditions, combined with the very serious scarcity of bottoms for transporting mill products, more than likely to still further curtail export shipments.

QUAKER OATS COMPANY.

Ira Moore, of the Quaker Oats Co is authority for the statement that t pany has acquired the plant of the Flour Mills, Ltd., Sudbury, Ont. mills have a capacity of 1,000 b flour daily. It is expected that the in operation the middle of this month. It is to be noted, however, that these mills are only capable of handling flour and consequently do not affect other products. The company, it is stated, is not ready to make any definite statement as to the future developments.

OGILVIE.

Sales of Ogilvie common have taken place this week at 142, but owing to the fact that the last previous sale was prior to the December break in the market, it is difficult to draw deductions from this as to the recent trend of opinion. The price realized on December 18th was 146. Early in the year 141 was being asked, against 140 bid, in relation to which this week's transactions show an improvement. Strength is also reflected in the trading in the preferred at 114, as compared with 113 a week ago.

LAKE OF THE WOODS.

The market for the securities of this company continues to be very quiet, there having been no transactions recorded this year, and practically nothing in the way of quotations to indicate the trend of values.

MAPLE LEAF.

During the week Maple Leaf Milling common reflected the general improvement in the market for stocks regarded as being on a "peace" basis; however, late transactions at 102 were a point below the high for the week of 103, which in turn compared with a low of 98 on Monday.

MINING STOCKS

Market Still Quiet, With Steady Volume of Business at Fairly Even Price Levels.

There has been no very marked change in the mining market between last week and this week. Business has continued on a fairly good scale, with sales ranging from 150,000 to 275,000 shares a day. The trading, however, has tended rather towards specialties, some of the newer stocks coming in for special attention. Eliminating these, and the market might be described as inclined to dullness. Price changes are few. The tendency, if anything, has been slightly downward, although there have been such variations that it is a little difficult to characterize movements either one way or the other.

Bar silver closed yesterday at 75⅞, at which price it was 1¼c higher than on Friday of the previous week. The metal had been selling down slightly during the past week or so, but on Wednesday it showed signs of increasing strength. It advanced on that day from 74⅝ to 75, while on Thursday it went to 75⅜ and yesterday to 75⅞. The increasing cost of shipping silver across the Atlantic; the shortage of cyanide, which is used in recovering silver from silver ore; the increasing demands of the belligerent nations for silver for coinage purposes, are all factors that will tend to raise prices for the white metal, and already predictions of dollar silver are being heard.

KENNABEEK.

In the forepart of the week, Kennabeek was the most pronouncedly active stock on the Standard Exchange. It sold up to a high level of 41 on Saturday of last week, dropped to 33 on Monday, rallied to 37½ on Tuesday and closed on Thursday at 35.

BOSTON CREEK.

Shares of the Boston Creek Mines have been in heavy demand during the week and this stock has been about the most active issue on the board. It woke up on Monday, selling up from 116 to 120. On Tuesday it opened five points better and went to 127. On Wednesday it gained another point, and on Thursday closed at 129.

TRETHEWEY.

A few sales of Trethewey stock were made during the week at prices ranging from 15 to 17. From Cobalt comes the interesting news that the Trethewey mine has again entered the list of bullion shippers. Last week it despatched four bars of a value of $2,131. The last previous shipment of bullion was made on February 6, 1915.

McINTYRE.

After the rise of last week, McIntyre shares have been in slightly less demand and at somewhat lower prices. The stock was selling up around $2.00 a share on Saturday of last week. It fell off to 1.97 on Monday, was a little stronger on Tuesday and Wednesday, but closed rather weak on Thursday at 1.96. Inquiry during the week at the office of the company in Toronto elicited the information that no action had yet been taken in the matter of dividend.

CONSOLIDATED SMELTERS.

Ore receipts at the Consolidated Smelters at Trail, for the year 1916, totalled 489,083 tons. The returns for December were the smallest for the year, when only 29,395 tons were received. This is accounted for by the fact that the coke supply from the Crow's Nest was not up to normal, due to uncertain labor conditions. Shipments from the Rossland mines were of necessity stopped. These have been resumed, however, and it is expected that the output will soon reach the average of about 40,000 tons. During the past year one hundred and thirty-five mines contributed to the total, the shipments originating in Alberta, Ontario, Washington, Idaho and Montana, as well as British Columbia.

LAKE SHORE.

An offering of 20,000 shares of the treasury stock of the Lake Shore Mines is being made by J. T. Eastwood & Co., at 50 cents a share. The authorized capital of the company is $2,000,000, of which $1,350,783 has been issued. The stock was recently listed on the Standard Exchange. The mine property consists of four claims, with an area of 160 acres, adjoining the Teck-Hughes [illegible] in the Kirkland Lake district. A shaft [illegible] been sunk to the 300-foot level, and [illegible] this about 800 feet of later work has [illegible] done. Some veins showing high gold [illegible] have been uncovered.

CONIAGAS.

There is little activity to note in Coniagas shares at present. One sale went through at 4.40 during the week, and the stock is offered at 4.86, with no bids. It is understood that the company has completed the installation of its flotation process plant at the mine and that this plant, which has a capacity of 150 tons a day, is to be used to clean up after the present milling treatment. Later it will be used to reclaim silver values from the big tailings dump that has accumulated during several years of operation.

TEMISKAMING.

The declaration on Tuesday of an interim dividend of 3% on the stock of the Temiskaming Mining Co., did not exercise any appreciable influence on the market value of the shares. These have been selling with very little variation around 61. The dividend will be paid on February 22 to shareholders of record, Jan. 31, and will involve the disbursement of $75,000. The company paid three dividends of 3% each during 1916, and to date has returned to shareholders, $1,800,000, or 72% on the issued capital. The company is said to have cash and bullion surplus at the present time of $750,000.

OTHER STOCKS

"Peace" Securities Have Come Into More General Demand in Recent Trading.

The improving undertone to the market for utility and general industrial securities continued until in the late trading there was a broadening of the demand which in the early part of the week was largely confined to Brazilian and Mackay. The trend of the trading indicated a continuation of sentiment in favor of the peace stocks as contrasted with the recognized members of the war group. The extent to which this movement will be carried remains to be seen, but it is evident that public opinion continues to take into consideration the possibilities of readjustment which will accompany a return to more normal conditions. Altogether there is a feeling with those who are closely in touch with the situation that the peace "scare" has brought about a readjustment of the market position with less drastic effect than would have been the case had the optimistic buying of war stocks been carried to still higher levels. The investing public having been brought to see that a readjustment is inevitable, it will probably now be effected in a comparatively gradual manner when the abnormalities of the prevailing conditions are taken into consideration.

Ames Holden.

While there has been little trading in Ames Holden McCready securities recently, there has been a weaker tendency evident as regards the common stock in comparison with the opening of the year. There were sales late last week at 21 which compare with a previous price of 23¾. Sales of the preferred this week have been at 59 compared with 61 last week. There has been no information to explain the further decline and the only explanation is that the company is regarded as one of those which is particularly benefiting from the abnormal conditions prevailing as a result of the war.

American Cyanamid.

Holders of American Cyanamid securities will be interested in learning that British concerns are now looking to Canada to supplement the meagre cyanide supplies now available in the Old Country. At the annual meeting of the Camp Bird Mining Company, held in London a few days ago, it was announced that the company's two large silver and lead mines in Mexico had been shut down for some time because of the shortage of cyanide. Germany was formerly the principal source of supply. In the course of the company's report it was stated that the only American dealer in the product had been put on the "black list," because of German connections, and the company was now looking to Canada, and hoped to be able get an adequate supply here. The factories of the American Cyanamid Co. are located at Niagara Falls, Ont.

Cyanamid, a nitrogenous fertilizer material, the nitrogen of which is derived from the atmosphere, is the principal product of the American Cyanamid Co., but the company has been using a portion of its surplus facilities in the manufacture of cyanide, which is used principally in mining processes, and as an agent in the manufacture of munitions.

Alabama Traction.

Alabama Power Co., a subsidiary of Alabama Traction Light & Power Co., has sold to Harris, Forbes & Co. $2,000,000 first mortgage 5 per cent. bonds. These are in addition to the $4,750,000 bonds placed last spring, and proceeds will be for the construction of a new 70,000 horse-power steam station on the Black Warrior River and the installation of 15,000 additional horse-power at "Lock 12" on the Coosa River, together with the extension and completion of the company's 675 miles of distribution system.

Alabama Power operates in the "Birmingham district" of Northern Alabama and enjoys an unusual diversity of its power consumers. Retail operations—street railway, light and small power—consumes 26.4 per cent. of the output; other public service companies 27.1 per cent.; steel companies 10.1 per cent.; cement companies, 9.7 per cent.; cotton mills and ore mines 5.4 per cent. and 5.1 per cent. respectively, while the balance is scattered, with 3.1 per cent. taken by coal mines.

Net earnings of the Alabama Power Company amounted to $89,949 in November, against $63,587 in 1915. Total gross earnings amounted to $151,445, compared with $98,307 in 1915. Operating expenses and taxes were $61,496 against $34,720 in 1915. For the twelve months period ending with November, the total gross earnings were $1,469.441, and net $918,105, comparing with $459,281 and $304,311 respectively in 1915.

B. C. Electric.

Traffic figures of the British Columbia Electric Railway for the year 1916 have just been issued, and reveal increases in all departments over the preceding year, but the figures are nothing like those of two years ago. Undoubtedly the loss of men going to the front and the inroads made on the traffic by the jitneys are responsible for the decrease since 1914. Last year the city received as its share of tramway receipts $38,151.62, as against $32,312.57 in 1915, and $69,502.92 in 1914. The number of passengers carried last year was 27,398,000, which is some 1,500,000 over 1915, but over eleven millions less than in 1914, when the figure was 38.539,744. In December just past, the city's share of tram receipts was $4,379.40, an increase of $565.05, although there were 100,000 less passengers carried. The discrepancy is explained from the fact that the percentages are being figured at a higher rate.

In reviewing the annual statement of the British Columbia Electric Railway, the English financial press accepts the depressed earnings as a natural result of conditions prevailing in the Pacific Provinces. As regards the future there is considerable optimism. The *Statist* expresses the opinion that when the war comes to an end the province should recover fairly quickly from its depression, there being no doubt that a much more prosperous future will open up when its magnificent and scarcely developed natural resources are taken into account and when it is remembered that the province will be able to secure from Great Britain supplies of capital necessary for systematic development.

Brazilian Traction.

The satisfaction and relief felt in regard to Brazilian Traction by the action of the directors in sustaining the common dividend on a basis of 4 per cent. was indicated by the rise in the market for the stock to 47¾, which compared with 44½ two days before, when there was a general impression that the course of action would probably be unfavorable to the shareholders. Later there was a measure of reaction, but whether this was due to profit-taking or to fears of interruptions of transportation by the depredations of the German raider was not indicated; the transactions were heavy.

There are few stocks listed on the Canadian exchanges, which have been followed with more interest than Brazilian, in which there are very extensive public holdings. That the price has remained comparatively depressed, in spite of the fact that earnings have been showing continued improvement is, of course, due to the unfavorable position of Brazil as regards exchange, and not to anything within the control of the management of the company. The future of the company's showing in returns to the shareholder depends upon the same factor, and this in turn upon the ability of the company to get her products into the world markets. Recently there has been an improvement in the outlook in that, in addition to coffee and rubber, there has been an export movement of frozen meat to assist in supplying the great demand for foodstuffs.

The trend of demand recently has indicated that there are buying interests in Montreal which are absorbing a large portion of the offerings, and these purchases are thought to be for New York account. In this connection the theory has been advanced that the reports of a reduction of the dividend may have been inspired to induce free offerings of the stock. The New York buying is also connected with the belief held in certain quarters that the American International Corporation, which was organized with the idea of the development of American trade, particularly with South America, and which has large holdings of marine securities, has been interesting itself. Following along this theory, it is argued that the International Corporation could if it desired prove a factor in righting exchange through its control of shipping facilities.

F. N. Burt.

Trading in F. N. Burt has been dull since the opening of the year, there having been no sales of the common and only small transactions this week, in the preferred at 91. This compares with a price of 90⅞ on December 27th. News regarding the operations of the company continues to be favorable.

Canadian Car.

The situation in connection with the Canadian Car and Foundry Company's disaster to their Kingsland plant was somewhat clarified by the statement given out at New York by Senator Curry. He estimated the company's loss at less than $1,000,000, after the insurance adjustments had been made. The total loss will be in the neighborhood of $12,000,000. Of this amount, approximately $8,000,000 in finished high explosive shells had been turned over to the Russian Government. Insurance on the plant amounted to about $3,250,000. The cost of the Kingsland plant, including the land, was approximately $750,000. No decision has yet been reached with regard to rebuilding.

Senator Curry stated that Canadian Car and Foundry had more than sufficient money on hand to pay up all its bills, even if nothing more was collected from the company. The opinion in financial circles appears to be that the extent of the company's fire loss will depend upon whether the Russian Government will pay for the lost shells, which had been turned over to their representatives.

Notwithstanding the company's loss, the president stated that there would still be a profit on the famous and much-talked-of Russian contract.

The opinion in the street is that the market has pretty well discounted any loss that may eventually be sustained by the company. At 26 for common and 60 for the preferred, the stocks last Saturday reached the lowest mark in their history. It has since recovered somewhat, the common selling at 38⅛ early the week, but later dropping back to 28. The preferred has picked up 5 points since last Saturday, 125 shares.

Canada Cement.

Canada Cement common has been fairly active on the exchanges with the prices during the week ranging from 63 to 65½ and late trading around 64. The material increase in the prices for the company's products referred to last week does not appear to have been taken as indicating any material increase in profits. Trading in the preferred has been comparatively steady around 95.

Canada Bread.

Increased interest in the common stock of the Canada Bread Company is noted by the transactions this week, but there has been little of significance in the trend of prices; the majority of sales have been at 16½ although 16 was touched. Last week's trading in the preferred at 86½ has been followed by a period of inactivity. There has been practically no change in the position of the company as regards its operations nor is it likely that there will be until such time as there is an improvement in consumption or in the sittion as regards raw material.

Consolidated Smelters.

Trading in Consolidated Smelters has been maintained on a comparatively steady basis since the publication of the annual report with business in fair volume. Late transactions were 33 to 34, which is about the same level at the opening of the year. The company now has a large output, and operations should be continued successfully if further labor

Continued on page 4.

THE CANADIAN BANK OF COMMERCE

PAID-UP CAPITAL - $15,000,000
REST - - $13,000,000

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JOHN AIRD Geneaal Manager
H.V.F. JONES Ass't General Manager

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Reserve Fund - - $20,000,000
Deposits - - - - $787,696,280

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John Galt ....President
H. B. Shaw .... General Manager

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Branches in 96 of the leading cities and towns in Canada. Agents and correspondents in leading cities of the United States and in foreign countries throughout the world.

Edward C. Pratt, General Manager

NEWS OF SECURITIES

(Continued from page 3.)

troubles can be avoided. There is some tendency, of course, to consider profits in relation to possible readjustment of the metal markets at the end of the war.

Canadian Collieries.

Canadian Collieries (Dunsmuir), Limited, has recently had to face difficulties in connection with wages as the result of the general shortage of labor and upward tendency of remuneration. Employes of the company at the Naismith Collieries contend that they are not receiving as high wages as miners at Nanaimo and other points on the island. They ask for equal returns. The report of the company's operations for the month of December indicated a decline in output of about 5,000 tons. This is said to be due to interference with operations at shaft No. 4 owing to water. However a protecting wall has been constructed and activities have been resumed.

Canadian Locomotive.

The plant of the Canadian Locomotive company is being operated at high pressure and the limit of orders is the output. A short time ago an order for 50 locomotives was secured from the British government and this will mean capacity operations until August at least. There have also been other smaller orders and more business could be secured if it could be handled. According to a statement made to THE POST by the president, Aemilius Jarvis, the difficulty is in securing materials while the prices demanded are such that normal domestic buying is practically at a standstill. Whereas under ordinary conditions the company could secure its materials in a few weeks, months are now required for the deliveries, and the cost, in which labor is the chief factor, is at an abnormal level. Canadian railroads are in need of additional motive power but it is questionable if there will be much business from this source until there is a readjustment of prices and this promises to be a matter of considerable time even after the end of the war. Recent trading at 57 for the common is a point below the best showing this year while the preferred at 88¼ is at its highest for January.

Dominion Bridge.

Montreal financial circles got something of a surprise on Wednesday when the announcement was made that the Dominion Bridge Co. had reduced the bonus for the quarter from 3 to 2 per cent. The stock broke 11½ points on Thursday before a sale was concluded at 153. Later fractional gains to 153½ and 153¼ were registered. On Thursday afternoon there was a further gain, the stock selling up to 155¼.

The high price of the stock last year was 231¾. The bonus of 3 per cent. in addition to the regular dividend of 8 per cent. was started in the last half of 1915, and has been continued without interruption until the present time.

The president, Phelps Johnson, in a statement authorized by the directors, gave the reasons for the company's decision as follows:

"While the position of the company as disclosed in the annual statement is an exceedingly strong one, and would justify the continuation of the bonus paid during the past year for some considerable time, the board felt that it was judicious to maintain an unusually strong cash position, in view of the developments that might occur in the next year or so.

"It was hoped that we might see, within a reasonable time, the termination of this disastrous war, and that to then be in a position to take advantage of the development that will probably occur, after a limited period of adjustment, the company should have ample available resources in order to branch out in the activities that would undoubtedly increase the capacity of the country to produce its requirements and develop its resources.

"It was also felt wise to conserve the company's assets until the Quebec Bridge was actually completed, as although there is no reasonable possibility of any further difficulty, it would be inadvisable to reckon on any profits from that enterprise until its completion is an accomplished fact."

As to munitions business and the outlook in that respect, Mr. Johnson added:

"The profits from munition contracts were also considered by the board to be a doubtful quantity in the future, as some prices at present received are not remunerative and in certain cases the work is actually being carried on at a loss, but it was felt that this class of work, even if not commercially desirable, must be carried on as long as the capacity of the company's shops was required in the national interest.

"Under these circumstances the board decided to reduce the bonus from that paid during the past year, and make the announcement that the payment of further bonuses will depend on the condition and prospects at the time future dividends are considered."

In view of the situation as outlined by Mr. Johnson, the company's decision, must be regarded as sound financing. Of course, it will not be pleasing to the speculators.

Dominion Canners.

There has been intermittent trading in Dominion Canners' common during the past two weeks with sales at 20. There have been no transactions in the preferred. The company has not been able to secure full advantage of the abnormally high position of the market on account of the short pack and the high cost of raw materials. The prices charged it is contended are fully warranted by the conditions and, as reported in THE POST last week, the officials of the company have every confidence in their ability to convince government investigators of this condition.

Foundries and Forgings.

Considering the conditions in the market as applied to the war stocks and the past wide fluctuations of Canadian Foundries and Forgings, the common stock of that concern has been holding a comparatively strong position recently. Intermittent trading has taken place during the year within a ten point range from 195 to 205, with the bulk of the transactions, especially in the late business, around 200. There have been no sales of preferred recently.

General Electric.

There has been a fair demand for Canadian General Electric common this week and the price moved up to 113¼ which is the best showing since the opening of the year. The low for the week was 111½. There has been no trading recently in the preferred. Earnings continue on a very satisfactory basis and the future is regarded with confidence.

Gas Securities.

Henry O. Loebell, chief industrial heating engineer of A. L. Doherty & Co., writing in the New York *Journal*, thinks gas is the only fuel of the future. He says:—

"What is going to happen to gas?" or more properly, to investments in gas properties.

Gas has nothing of the spectacular that characterizes electricity. Its functions and development, while exceedingly important to the welfare of the community, are gradual and hardly apparent to anyone not directly interested in the future of gas.

The layman sees the inroads electricity is making in his own home and environment—gas lighting is being replaced by attractive tungsten fixtures—an electric vacuum cleaner is brought to his home—his morning coffee is prepared with the aid of an electric percolator, and perhaps even his morning toast is crisped by electricity. With no further thought on other fields of use for gas, its use and future seem doomed.

FIELDS OF COMPETITION

The gas security investor has somewhat the same misgivings. He remembers how gas displaced the tallow dip, the candle and oil lamp; later the advance of the electric lamp and the introduction of the gas mantle, and the present displacement of the latter for store lighting, shop illumination in factories, etc.

As an illuminant, undoubtedly gas is in keen competition with electricity. But let us consider what per cent. of electric energy is devoted to illumination as compared with the other uses of electricity.

In a community where there are one hundred thousand 25 watt lamps burning six hours a day, the same amount of energy would be consumed in ten motors of 100-horse power operating twenty hours in a single plant. In other words, illumination is still a lesser function of electricity.

A similar condition exists in the gas industry. A single plant that is using artificial gas to melt large quantities of brass or other metals may use a greater number of cubic feet of gas than the entire community consumes for illumination. These conditions being true, it is evident that gas and electricity are competing in the fields of their lesser uses.

And in this other field—industrial heating—lies the great possibilities for gas.

USE OF GAS AS FUEL.

Until recntly this greater market for gas was not recognized by even the men in the industry. Mechanical handicaps, such as inefficient appliances and unscientific rates, were largely responsible for the slow awakening of the gas man to a realization of his most profitable field.

The manufacture of gas has been broadened, appliances have been developed and applications extended and the use of gas for domestic and industrial use better understood.

The logical step forward is the substitution for all solid and liquid fuels—coke, coal and oil—of gas. This transition must necessarily be gradual for economic reasons, and it is taking place to-day.

A number of gas companies have developed their industrial fuel market to where it is possible to readjust their costs periodically. The number of companies selling gas in large quantities at rates below 50 cents per thousand is increasing daily, and a number have started aggressive campaigns for selling gas for heating homes in competition with solid fuel.

From the standpoint of the gas company, the rates and, necessarily, the field it can cover, are a question of cost of production. Large quantities reduce costs and extend markets to a point where no solid fuel can withstand the competition of gas, both as to cost and advantages of utilization.

The engineer is daily finding new functions and new methods of applying gas that will make it supreme in the fuel field, and which will bridge and shorten the time when solid or liquid fuel will be a thing of the past and its utilization limited to isolated cases outside of gas works.

The period of transition in the gas industry from supplying gas for illumination only at rates from three to six times the present rates was brought about by the increased use of gas for domestic purposes—cooking, heating, etc., and some of the smaller uses in industrial plants.

The cost of supplying a customer with a thousand cubic feet of gas began to decrease when increased consumption per customer made itself felt.

It took years to bring about this change. To-day the use of gas in the home for cooking, water heating, etc., is almost universal.

Many factors combine to make the present time the second period of readjustment in the gas business.

The intensity of production in industrial plants, the high cost of labor and the demands made by labor for better working conditions, the impermanency of oil and coal as a fuel, coupled with the remarkable activity in the development of correct gas appliances, correct rates and correct business policy, all will hasten the change which otherwise would take a longer period of time to accomplish.

Halifax Tramways.

In another column will be found a complete report of the final consummation of negotiations between the Halifax Electric Tramway Company and the Nova Scotia Tramway and Power Company, by which the latter, after four years of effort, obtained control of the system. The new concern is headed by E. A. Robert, of Montreal, president of the Montreal Tramways and allied companies, with whom are associated other Montreal capitalists. For the Halifax Tramway shares $203.50 is being offered for about 2,500 shares, of which the new interests have not yet obtained control. The offer is in the form of 75 per cent. of par value for fully paid preferred shares and 40 per cent. of par for fully paid ordinary shares.

Hudson's Bay.

An interim dividend of 10 per cent. has been declared on the ordinary shares of the Hudson's Bay Co. The dividend was payable on January 1, on which date the interest warrants on the five per cent. cumulative preference shares for the six months ending December 31, was also payable.

The sales for the quarter ended December 31, 1916, were as follows:—Farm lands, 99,400 acres for £346,500, against 29,200 for £100,600 in 1915; town lots sold for £3,600, against £500. Total receipts, £137,700, against £89,000. The sales for the nine months were:—Farm lands, 184,800 acres for £621,900, against 48,700 for £163,600; town lots, £9,400, against £4,300. Total receipts, £273,200, against £161,000.

Imperial Oil.

The control of the Mid-West Refining Co., of Denver, has passed to the Imperial Oil Company, Limited, of Canada. The stock was bought in the open market last year. V. Z. Reed is said to have sold 70,000 shares at par.

Lyall Construction.

Trading in Lyall Construction common this week showed a further decline of four points to 65 on small transactions. There has been no particular news as to the company's operations and the decline is accepted as a further adjustment of this stock to a peace basis.

Mackay.

In the trading of the past couple of weeks Mackay has played a prominent part, the common having moved up from 83½ at the opening of the year to 89 and the preferred from 65¼ to 68. The demand which has resulted in transactions on a substantial scale has been accompanied by the report that an advance of the dividend rate from 5 per cent. to 6 per cent. is imminent. The company has been increasing its reserve to a considerable extent and it is understood that it would be quite justified in making the advances in dividend referred to. The annual report will be awaited with some interest although it usually gives little to satisfy the investor.

Montreal Locomotive.

The Montreal Locomotive Works, which recently achieved prominence in connection with the publication in New York of a report that a large munitions order had been secured, which was later denied, adds the additional information that no new orders have been secured lately. The company is busy on munitions work, having discontinued all other forms of activity, and is employing 4,500 men, and by the institution of a general system of overtime, it is stated that the equivalent of 6,000 workmen has been reached.

Quebec Light, Heat & Power.

Holders of Quebec Light, Heat & Power securities will be interested in learning that the traffic over the lines of the Quebec Street Railway and over the Montmorency division during the half year, which closed on December 31, showed considerable increase. The number of passengers carried on the city lines from July 1 to December 31, 1916, was 7,396,331, as compared with 6,566,621 during the same period of 1915, an increase of 829,710. The comparative figures on the Montmorency division are: 1916, six months, 1,200,214; for the same period, 1915, 1,043,803. The increase of nearly a million passengers in the company's tramway business is regarded as very satisfactory. Quebec is just now in a very satisfactory condition. The industries, including the Ross Rifle factory and many other large concerns, are running full blast, while the textile concerns' activity is reflected in the increase of the Montmorency earnings.

Holders of these securities and the street generally are awaiting with considerable interest the award of Judge Cassels, of the Exchequer Court, who will decide what price the Government will pay for the Quebec and Saguenay. There has been very little movement in the stock recently, the most recent sale being at 31.

Russell Motor.

On small trading there have recently been comparatively wide fluctuations in the price of Russell Motor common. Last week closed with transactions at 72 while this week 80 was reached with a slight reaction on Thursday to 78. The preferred has shown fluctuations during the same period from 104 to 112 with late transactions around 106.

Smart Woods.

On Saturday last on small sales Smart Woods common showed a development of strength which took the price up from 50 to 55. Since then there have been no further transactions but 55 is being asked. There have been no dealings in the preferred this year.

Shawinigan Water and Power.

It is expected that the financial statement of the Shawinigan Water and Power Co., for the past year, which will be presented to the shareholders next month, will show gross earnings of approximately $2,300,000, as compared with $1,920,143 in 1915. It is anticipated that the net revenue will be about $1,400,000, or about 9½ per cent. on the capital stock outstanding at the end of the year. Assuming that these estimates are approximately correct, the year 1916 will have been by far the most prosperous in the history of the company. After paying a dividend of 9½ per cent., there will be a surplus of about $375,000 to place to reserve account. The stock continues to hover around 129, although a few shares changed hands this week at 130.

Twin City.

Gross earnings of the Twin City Company for the last week in December amounted to $289,379, compared with $276,753 for the corresponding period in 1915, an increase of $12,625, or 4.56 per cent. For the year 1916 the earnings were $10,072,299, compared with $9,347,293 for the year 1915, an increase of $725,005, or 7.76 per cent.

Tuckett Tobacco.

Tuckett Tobacoo came into the trading on Thursday for the first time this year with transactions in the common at 22¼-22½ and in the preferred at 83½. Little has been heard recently regarding the operations of the company but sales are regarded as being satisfactory in view of the number of men overseas and the tendency of prohibition to restrict demand.

GROCERY MARKETS.

Prices Steadier But Advances Still Reported.

Canadian Grocer this week will say:— Busines in grocery lines has continued good during the week. Prices for the most part have held steady, with advances recorded in a number of lines. Flour is in firm market in the face of a steadiness in wheat and a disposition for the price of the latter to hold within narrow margin. Demand for mill feeds of all kinds is keeping up well. Demand for flour from the mills is comparatively light at present. Some fairly heavy stocks were laid in by some some time ago, when the market was strong and advancing, and until these are worked off there is not expected to be a heavy demand. Reports from the Argentine about the damage to the grain crop there are confirmed. It is estimated the amount of wheat available from that source will be only in the neighborhood of 1,000,000 tons as compared with 2,500,000 tons in a normal year.

Sugar holds steady in a quiet market. Reports from Cuba continue to be favorable to a large production during the present campaign. Production is now well under way there. For the balance of the present month it is expected the price of sugar will hold firm, but slightly cheaper sugars are looked for during February, when all of the sugar centrals will be grinding on the Island. Butter is easier in tone, but eggs have again become firmer in price in the face of a heavier demand. Live hogs are higher in price with deliveries light. The higher costs of containers are operating to advance prices on many lines. Reports from molasses producing centres in the South indicate there will be a big crop of West Indian. Teas continue in a firm market with advances recorded in the primary market. Coffee is also in firm market with advances recorded in certain instances. One line of package cereals was reduced during the week.

REAL ESTATE SITUATION.

Demand Principally for Factory Buildings and Small Houses.

In their survey of business conditions throughout the province, the Bank of Montreal states that there has been little change in the real estate situation during the year. Farm properties have maintained their value, and interest payments on mortgages have been up to the average. Urban properties have held their own, with an increasing demand for the smaller class of houses. Apart from supplying the demand for increased factory space and small houses, the building trade has been inactive, with 1917 holding out very little prospect of improvement.

THE NATIONAL LIFE
ASSURANCE COMPANY OF CANADA
Head Office - Toronto

ELIAS ROGERS, President
ALBERT J. RALSTON,
First Vice-President and Managing Director
F. SPARLING, Secretary

Eighteenth Annual Report

	1906	1911	1916
Assurance in Force ...	$5,802,358.00	$14,453,866.00	$23,883,130.00
Total Assets (not including uncalled capital)	720,405.00	1,808,272.00	3,630,194.00
Premium and Interest Income	219,537.22	555,446.18	900,309.60
Surplus	170,508.75	352,903.00	489,539.08
Payments to Policyholders	23,146.14	91,015.00	211,066.69

Total Amount of New Paid Business, 1916	$ 5,457,957.00
Net Gain over 1915 Paid Business	1,148,660.00
Gain of Assurance in Force	2,688,975.00

Points of Interest

The above figures give an excellent idea of the steady progress of the National Life. The company still maintains its unbroken record, of eighteen years, no interest or principal on its invested funds overdue or in arrears. This is a record of which we are justly proud, and when it is considered that the average rate of interest earned is approximately 5½%, our policyholders, and others interested, may be assured in the knowledge that this department is being wisely administered.

Write for Your copy of the Annual Report giving full details.

45th ANNUAL STATEMENT

For the Year Ending November 30th, 1916.

Bank *of* Hamilton

As submitted to the Shareholders at the Annual Meeting held at the Head Office of the Bank at Hamilton, on Monday, January 15th, 1917.

BOARD OF DIRECTORS

SIR JOHN HENDRIE, K.C.M.G., President
CYRUS A. BIRGE, Vice-President
C. C. DALTON
I. PITBLADO, K.C.
ROBT. HOBSON
J. TURNBULL
W. E. PHIN
W. A. WOOD
J. P. BELL, General Manager

PROFIT AND LOSS ACCOUNT

Balance at Credit of Profit and Loss Account, 30th Nov., 1915..			$ 175,821.53
Profits for the year ended 30th November, 1916, after deducting charges of management, interest accrued on deposits, rebate on current discounts, and making provision for bad and doubtful debts			442,525.69
			$ 618,347.22
Appropriated as follows:			
Four quarterly dividends, in all 12%		$360,000.00	
Pension Fund, Annual Assessment	$ 8,790.65		
Special Contribution	10,000.00		
		18,790.65	
War Tax on Bank Note Circulation		30,000.00	
			$ 408,790.65
Balance of Profits carried forward			$ 209,556.57

GENERAL STATEMENT

LIABILITIES

To the Public:			
Notes of the Bank in Circulation			$ 4,409,351.00
Deposits not bearing interest		$10,927,818.79	
Deposits bearing interest, including interest accrued to date of Statement		34,470,355.27	
			45,398,174.06
Balances due to other Banks in Canada			21,799.58
Balances due to Banks and Banking Correspondents elsewhere than in Canada and the United Kingdom			604,135.42
Acceptances under Letters of Credit			119,730.83
			$50,563,190.89
To the Shareholders:			
Capital Stock paid in			$ 3,000,000.00
Reserve Fund	$3,300,000.00		
Balance of Profits carried forward	209,556.57		
		$ 3,509,556.57	
Dividend No. 110, payable 1st December, 1916		90,000.00	
Former Dividends unclaimed		597.00	
			$ 3,600,153.57
			$57,163,344.46

ASSETS

Current Coin	$ 860,142.93		
Dominion Government Notes	4,462,261.00		
		$ 5,322,403.93	
Deposit in the Central Gold Reserves		1,500,000.00	
Deposit with the Minister of Finance for the purposes of the Circulation Fund		157,000.00	
Notes of other Banks		437,655.00	
Cheques on other Banks		2,327,085.36	
Balances due by other Banks in Canada		119,399.63	
Balances due by Banks and Banking Correspondents elsewhere than in Canada		439,409.74	
		$10,312,953.66	
Dominion and Provincial Government Securities, not exceeding market value		569,458.46	
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities, other than Canadian		6,635,336.88	
Railway and other Bonds, Debentures and Stocks, not exceeding market value		641,982.10	
Call and Short Loans (not exceeding thirty days) in Canada, on Bonds, Debentures and Stocks..		3,844,635.08	
			$22,004,366.18
Other Current Loans and Discounts in Canada (less rebate of interest)			31,905,961.60
Real Estate other than Bank Premises			435,605.86
Overdue Debts, estimated loss provided for			178,194.68
Bank Premises, at not more than cost, less amounts written off			2,042,507.55
Other Assets not included in the foregoing			336,889.76
Liabilities of Customers under Letters of Credit as per contra			119,730.83
			$57,163,344.46

JOHN S. HENDRIE, President. J. P. BELL, General Manager.

AUDITORS' REPORT.

In accordance with the provisions of Sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:—

We have examined the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the Branches and we have obtained all the information and explanations we have required, and in our opinion the transactions which have come under our notice have been within the powers of the Bank.

We have checked the cash and verified the securities of the Bank at the Chief Office and at several of the principal Branches during the current year, as well as on November 30th, 1916, and have found that they agreed with the entries in the books of the Bank with regard thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given us, and as shown by the books of the Bank.

C. S. SCOTT, } Auditors,
E. S. READ, } Chartered Accountants.

Hamilton, 18th December, 1916.

In moving the adoption of the Report, the President, Sir John Hendrie, K.C.M.G., said:

It is with a great deal of satisfaction that the directors place before the Shareholders the Report and exceptionally strong Statement which they are asked to adopt to-day. Liberal provision for possible bad and doubtful debts was made before we arrived at the profits, which show the comfortable increase of about $18,000 over those of last year.

During the year the Bank obtained a long lease on favorable terms of the handsome offices formerly occupied as the Head Office of the Traders' Bank in Toronto in what is now known as the Bank of Hamilton Building.

There is urgent need of economy and thrift. The purchasing power of money has declined sharply. This condition cannot last forever, but it provides one of the strongest incentives to save now, as every dollar on hand will be worth more when normal conditions return. Meanwhile the money will earn good interest and do patriotic service by being placed at the disposal of the Government, either directly or through the Banks.

The President referred in feeling terms to the great loss which the Board has sustained by the death of Mr. George Rutherford. He also referred to the retirement, on account of ill-health, of Mr. C. E. Newton, of Winnipeg, and stated that the Board proposed that the Shareholders fill these vacancies by electing Mr. W. E. Phin, a well-known Hamiltonian, and Mr. Isaac Pitblado, K.C., of Winnipeg.

Mr. Cyrus A. Birge, Vice-President, seconded the adoption of the Report.

Mr. J. P. Bell, General Manager, said:—

The notes in circulation show a gain of 26 per cent., which is all covered by a deposit in the Central Gold Reserve. The increase in deposits is $7,300,000, equal to 19.25 per cent., which is considerably above the average.

Deposits have increased in ten years from $24,000,000 to $45,000,000. The Liquid Assets have increased 28 per cent., owing to investment in Government loans for munition orders in Canada, while the total assets have grown by $9,000,000.

In conclusion, Mr. Bell commented favorably on the issue of War Savings Certificates, but suggested that War Taxes, possibly on industrial incomes and expenditure, might be imposed with most valuable social and economic results. He recognized, of course, that there were many practical difficulties in collecting such taxes, but believed the people were ready to co-operate heartily in any measures which the Government might impose.

In presenting the Auditors' Report, Mr. C. S. Scott assured the Shareholders that the statement had been made up on a most conservative basis.

The following motions were adopted:

Moved by Mr. E. G. Payne, seconded by Mr. F. W. Gates, that the date of the Annual Meeting be changed to the third Monday in April. Mr. John E. Brown was of the opinion that January was a more convenient date for assembling the Shareholders, but was satisfied with the change when it was explained that the end of February was a better date to close the Bank's books than the end of November.

Moved by Mr. W. A. Robinson, seconded by Mr. W. J. Waugh, that Mr. C. S. Scott and Mr. E. S. Read be re-elected Shareholders' Auditors.

Moved by Dr. James Russell, seconded by Mr. Stanley Mills, that the thanks of the meeting be given the President and Directors, to which Mr. Robert Hobson and Mr. W. E. Phin replied on behalf of the Board.

Moved by Mr. W. J. Morden, seconded by Mr. Fred J. Harris, that the thanks of the meeting be given the General Manager, Superintendents and other members of the Staff. In replying, Mr. Bell referred admiringly to the Staff who were on active service. Mr. E. R. Niblett also responded with a reference to the large number of ladies now employed with satisfactory results.

Mr. W. H. Wardrope moved, seconded by Mr. W. J. Aitchison, that the election of Directors and Auditors be proceeded with, and the Scrutineers, Mr. F. H. Lamb and Mr. R. S. Morris, reported the following gentlemen elected:

Sir John Hendrie, K.C.M.G., Cyrus A. Birge, C. C. Dalton, Robert Hobson, W. E. Phin, I. Pitblado, K.C., J. Turnbull, W. A. Wood.

At a subsequent meeting of the new Board, Sir John Hendrie, K.C.M.G., was re-elected President, and Mr. Cyrus A. Birge, Vice-President.

Stock Movements of the Week

A Record of the High and Low Marks of the Week in Canadian Listed Securities.

Week ending Jan. 18, 1917.	Ask.	Bid.	High	Low	Last	Sales	Range 1917 to Jan. 11 High	Low
Banks—								
Commerce	187	185	185¼	184¾	185	91	185¼	184½
Hochelaga	145	...	145	145	145	64	145	145
Imperial	200½	197	200½	199½	199½	32	200½	200
Merchants	170	...	170	170	170	27	170	170
Molsons	180	...	180	180	180	47	181	180
Montreal	234	...	234	234	233	43	234	232
Royal	214	211½	214	213	213½	112	214	212¼
Standard	...	214½	215	214½	214½	17	215	214½
Toronto	...	190	190	190	190	1	190	190
Union	...	138	140	140	140	5	139	137
Transportation—								
Barcelona	13¾	13	13½	12¾	13	294	17	13¼
Brazilian Trac.	45¾	45¼	47¾	43½	46	5,720	47¾	45
Canada Steam., com.	35½	35	35¾	34¾	35	640	38	34
Do., pref.	92½	91	93	91	92	335	93½	91
Canadian Pacific	163½	162½	164¼	159	161¼	15	161¼	158
Detroit United	126	124	125½	125	125	507	128	126
Civic Invest. Pr.	82	81¾	82	81¾	81¾	2,428	82	81½
Duluth-Sup., com.	...	46	46½	45	46¼	215	46	43
Illinois Trac., pref.	88	...	88½	88	88½	22	88	88
Montreal Tram.	...	180	180	180	180	25	181	181
Porto Rico, com.	...	35	36¾	35	36¾	185	35	35
Quebec Ry., L., Heat	32	31	32	30½	31⅛	893	35½	30
Toronto Ry.	82	81	82	76	81¾	938	78½	76
Twin City, com.	95	94½	95	93	94⅞	100	95	94
Winnipeg Electric	85	78	81	81	81	50	...	...
Telegraph, Light and Power—								
Bell Telephone	147	...	145	144	145	165	146	145
Consumers Gas	165	164½	165	165	165	181	165¼	165
Mackay, com.	89	88	89½	87	88¼	1,337	87⅞	83½
Do., pref.	68	67	68	66	67½	55	66¼	65½
Ottawa Light, Heat	...	92	92	90	92	69	90	90
Shaw. W. & Power	129½	...	130	129	129	213	130½	129
Industrials—								
Ames, Holden, com.	23	21	21	21	21	5	23¾	21
Do., pref.	62	...	59	59	59	50	61	61
F. N. Burt, pref.	92	...	91	91	91	7	...	...
Canada Bread, com.	17	16	16½	16	16½	115	...	...
Do., pref.	90	86	86½	86½	86½	12	86½	86½
Can. Cement, com.	64	63¾	65½	63	63	1,996	69⅞	62¾
Do., pref.	95	94	95½	94	95	262	95¾	94
Can. Car, com.	28½	27	36½	26	28	4,390	46½	37½
Do., pref.	67½	66	77¼	60	65	6,412	89	79½
Can. Cottons, pref.	79	...	80	79	79	119	80	78
Can. Forgings, com.	205	198	201	195	195	195	205	190
Can. Loco., com.	58	57	57	57	57	35	58	57
Do., pref.	90	88	86½	86½	86½	12	86½	86½
Can. Gen. Elec., com.	112¼	112½	113¼	111	113¼	513	113	111
Dom. Bridge, com.	165	164	167	153	153	1,025	170	162
Dom. Iron, Steel, pr.	...	93	94¾	93	93	26	95	92
Dom. Steel Corp.	67⅞	66¼	68	66	66½	5,378	71½	65¾
Dom. Textile, com.	82	81	82	80	81	242	82	81
Do., pref.	103	...	108	103	103	1	102¼	102¼
Lyall Cons.	...	65	69	65	65	40	...	...
Laurentide	193	191	191	190	190	235	195	193
A. Macdonald, com.	12¾	...	13½	13	13	55	13	12
Maple Leaf, com.	103	100	103	98	102	185	102	96
Do., pref.	95	94½	94½	94½	94½	2	97½	94½
Mon. Cottons, pref.	102	...	102	102	102	36	102	102
Mon. Knitting, com.	40	39	40	40	40	25	40	35
Ont. Steel Pro.	33	...	32	32	32	10	34	34
N. S. Steel, com.	117½	116	121	112½	116	1,450	128	113
Do., pref.	...	112	112	112	112	10	112	112
Ogilvie Flour, com.	143	141¾	142	142	142	25	...	...
Do., pref.	...	...	114	113	113	35	113	113
Pacific Burt, com.	30	29	29	29	29	25	28	28
Penmans, com.	71½	70	71	70	70	57	71	70
Do., pref.	...	83	83	83	83	5	85	85
Riordon Pulp, com.	121	119	123	120	122	120	120	120
Do., pref.	...	...	95	90	91	151	...	...
Russell Motor, com.	77	75	80	72	78	119	92	85
Do., pref.	106	103	112	100	104	217	115	109½
Sher.-Williams, com.	59	58¾	59	58¾	59	125	59	58½
Do., pref.	...	99	99	99	99	10	100	98
Smart-Woods, com.	...	...	55	50	55	150	...	...
Spanish R. Pulp, com.	17	15½	17	16	16	62	19	15
Do., pref.	58	55	57	55	55	26	59¼	59
Steel Co. of Can., com.	67	66½	67¾	63½	67	6,585	71½	64
Do., pref.	96½	95½	96½	95½	96	180	100½	96½
Toronto Paper	...	72	73	72	72½	195	79	79
Tuckett Tobacco, com.	...	22½	22½	22¼	22½	50	...	...
Do., pref.	...	83½	83½	83½	83½	50	...	...
Nat Steel Car, com.	20	18	19	18½	19	25	...	...
Do., pref.	70	69	72	70	70	20	...	...
Wayagamack Pulp	...	93	95	94	995	425	95	95

UNLISTED STOCKS.

Furnished by A. J. Pattison, Jr., & Co., Toronto, Jan. 17, 1917:

Quotations—	Bid.	Ask.
Abitibi Power, com.	72.00	79.00
Do., pref.	89.00	94.00
Arena Bonds (Toronto)	.....	93.00
Atlantic Sugar, com.	10.00	15.00
Beldingi, Paul, pref.	81.00	.....
Do., bonds	80.00	97.00
Canadian Furniture, pref.	....	50.00
Canadian Machinery 6's	71.00	80.00
Do., pref.	39.00	.....
Canadian Marconi	1.35	2.50
Canadian Mortgage	91.00	97.00
Canadian Oil, com.	30.00	.....
Do., pref.	65.00	.....
Canadian Westinghouse	140.00	.....
Continental Life	20.00	25.00
Crown Life	80.00	.....
Dom. Pwr. & Trans., com.	60.00	68.00
Do., pref.	95.50	.....
Dominion Mfg., pref.	40.00	.....
Dom. Perm. Loan	68.00	.....
Dunlop Tire, pref.	92.00	97.00
Dom. Steel Fdy., pref.	87.00	95.00
Frontenac Brew., 6% bds.	.....	92.00
Home Bank	63.00	.....
International Milling, pref.	90.00	100.00
Imperial Oil	285.00	.....
Loews Theatre, com.	60.00	.....
Do., pref.	82.00	.....
London Loan & Savings	91.00	.....
Do., pref.	.....	.....
McDonald, com.	.....	17.00
Morrow Screw, 6% bonds	81.00	89.00
People's Loan & Savings	85.00	90.00
Prudential Trust	.....	.....
Ruddy, E. L., pref.	.....	95 00
Stand. Rel. Loan (par $50)	43.00	.....
Steel & Radiation, com.	31.00	.....
Do., pref.	.....	78 00
Sovereign Life	.....	25.00
Trusts & Guarantee	86.00	.....
Tough Oaks	2.70	3.00
Ford Motor	....	330.00
Ontario Pulp, bonds	85.00	90.00
Volcano Oil	120.00	.....
Dom. Glass, pref.	83.00	.....
Eastern Car, pref.	72.00	.....
Do., 6% bonds	95.00	.....
Northern Elec. 6% bonds	91.00	98.00
Russian Govt. 5½% bonds	28.50	29.50
Anglo-French, 5%	93.00	94.00
Belding Paul, com.	16.00	.....
Dom. Linen 20% bonds	.....	100.00
Imp. Steel & Wire, pref.	2.00	5.25
Do., common	.....	4.00
Trusts & Guar. 20% pd.	81.00	.....
Toronto Paper 6% bonds	80.00	.....
Carter Crume, com.	12.50	.....
Do., pref.	.....	80 00
United Cigar Stores	1.12	.....
Macdonald, pref.	.....	80.00
Metal Shingle, pref.	.....	75.00
Atlantic Sugar, pref.	40.00	50.00
Cnap. Ball Bearing	20.00	00
Canada Paper, pref.	80.00	100.00

HARDWARE MARKETS.

Big Advances on Cordage Products Is Feature.

Hardware and Metal this week will say:—One of the notable advances in hardware lines during the week has been in cordage products, where an advance of one-half cent, to four cents per pound has been recorded. Waste has also made a big advance. Other advances have been recorded in iron rivets and burrs, curry combs, scales, garden hose, trace chains, bifurcated and tubular rivets, oil stoves, lamp chimneys, machinery steel, sleigh shoe steel, toe calk steel, horseshoes iron, crowbars, vises, clay and rock picks, pliers, pipe plates, dies and bushings, padlocks, cabinet locks. New prices have also been announced on electric weld chain. Gasoline and benzine have registered an advance of one cent per gallon. Linseed oil is in firm market and advances have been recorded in certain quarters. There is great difficulty being experienced by crushers in getting supplies of flaxseed forwarded. Some crushers are not looking for new trade under the conditions, but are only endeavoring to take care of their customers' needs Turpentine held steady in price Business in all hardware lines has been good. Embargoes placed periodically by the railways in certain districts are a constant source of concern to wholesalers whose goods are thus held up.

MORE HYDRO FOR STATES.

The temporary diversion of 4,400 more cubic feet of water per second from the Niagara River at the Falls until July 1, was authorized in a conference report on the Cline Niagara Falls Bill, adopted by the House. The bill is designed to relieve a water power famine at Niagara Falls pending permanent legislation to regulate water power.

The Senate later adopted the conference report. The bill now goes to the President.

FEW men act as executors often enough to learn even the routine of an executor's duties. Still fewer undertake enough executorships to learn the methods of meeting exceptional problems of administration adequately when these arise.

Here the services of National Trust Company, Limited, present a marked contrast. Years of administration have given its officers wide experience and ready resource. Their advice is at your service.

National Trust Company
Limited
Capital Paid-up, $1,500,000.
Reserve, $1,500,000.
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Assets - - 7,426,971.18
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VICTORIA REGINA CALGARY
VANCOUVER EDMONTON
LONDON, ENG. EDINBURGH, SCOT.

BLUE DIAMOND COAL COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 22nd day of December, 1916, incorporating Reginald Herbert Montague Temple and Archibald James Reid, barristers-at-law; George Norman Limpricht, William Bowler and Frederick Charles Allen, clerks, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To purchase, lease or otherwise acquire coal fields and coal lands, ore bearing properties, mineral lands, mining locations, mining and surface rights, timber limits, wood lands, and timber lands, oil fields and privileges, natural gas lands and properties, water lots, water powers and privileges and other rights, privileges, easements and licenses; (b) To lay out, construct, purchase, lease or otherwise acquire, maintain, operate and manage: (1) mines of coal, iron or other minerals whatsoever; oil wells and wells of natural gas, or any products or by-products of any of them, mining structures, plant mills, pipe lines, buildings, machinery and appliances of every description; (2) power houses, structures, plant and equipment for the development, generation, transmission or utilization of water, steam, gas, electric or other powers and structures and plant for any form of heating and lighting; provided, however, that the sale, transmission or distribution of electric, pneumatic, hydraulic or other power or force beyond the lands of the company shall be subject to local and municipal regulations in that behalf; (3) steamships and vessels, piers, docks, dry-docks, wharves, slips, basins and all incidental structures and appliances; (4) bridges, roads, tramways on lands owned or controlled by the company, aerial carriers, rails and ways of every description, yards and tracks for the storage or handling of any of the company's products or for the delivery thereof to adjacent railways; and (5) offices, stores, shops, grain elevators, hotels, boarding houses, dwellings, workmen's houses, restaurants and buildings of every description; (c) To purchase, sell and deal in any manufactures, products or by-products of the works hereinbefore specified, or any commodities, merchandise or manufactures which may be conveniently handled therewith, and are germane to the objects herein specified; (d) To purchase, acquire, sell and deal in any exclusive rights, patent rights, privileges or licenses in connection with the business of the company; (e) To guarantee any indebtedness, whether bonded or otherwise, of any company with which the company may have business relations and authorized to conduct any business within or similar to the powers of the company; (f) To issue and allot, as fully paid up, shares of the company hereby incorporated in payment or part payment for any property, movable or immovable, property rights, lease, business, franchise, undertaking, powers, privileges, licenses, concession, stock, bonds and debentures, or other assets or things which it may lawfully acquire by virtue of the powers hereby granted, or to pay for same or any part thereof in bonds, debentures or other securities of this company, and with the approval of the shareholders, for services rendered to the company; (g) To acquire the stock, securities or undertaking of any other company having for one of its objects the exercise of any of the powers of the company, or to transfer its undertaking or assets to, or to amalgamate with any such company; (h) To enter into partnership or into any arrangement for sharing profits or union of interests, co-operation, joint adventure, reciprocal concessions, or otherwise, or to amalgamate with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which this company is authorized to engage in or carry on, and to lend money to and act as employer, agent or manager of any such person or company, and to carry on the business of and to guarantee the contracts of or to otherwise assist any such person or company or any customers and to guarantee the securities issued or to be issued either conditionally or upon any condition, the bonds, debentures or other securities of any such company, and to take, hold, or otherwise acquire shares and securities of any such company notwithstanding the provisions of section 44 of the said Act, and to To distribute among the shareholders of the company in kind any property of the company, and in particular any shares, bonds, debentures or other securities belonging to the company or which the company may have power to dispose of; (j) To acquire by purchase or otherwise, hold, sell and deal in the business, assets, good-will, and securities of any other company having for one of its objects the exercise of any of the powers of the company, or carrying on any business capable of being conducted so as to benefit the company, and to promote or assist in promoting any such other company or any subsidiary company, and to pay out of the funds of the company the costs and expenses of such promotion or assistance. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Blue Diamond Coal Company, Limited," with a capital stock of one million five hundred thousand dollars, divided into 15,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 26th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

HAMILTON BANK INCREASED LOANS AND EARNINGS

Returns Showed 14.7% on Capital and 6.8% on Investment.

ASSETS LARGER BY $9,000,000

Increased Loans and Investment in Public Securities Reflected the Enlargement of Demand and Savings Deposits.

That the Bank of Hamilton was able to show a considerable increase in profits for the year ending November 30 last, was evidently due to the substantial increase in current and call loans in Canada, this being the outstanding feature of THE POST'S analysis of the balance sheet. There was comparatively little change in the holdings of immediately available liquid assets although the ratio in relation to totals declined somewhat on account of the increase in total assets. The profits amounted to $442,525, as compared with $424,374 in the previous statement. The payment of dividends and provision for pension fund and war tax on circulation left a considerable balance, the surplus increasing from $175,821 to $209,556. Comparative figures follow:—

	1916	1915	1914
Balance forward	$175,821	$157,087	$151,132
Profits	442,525	424,274	485,265
	$618,346	$581,361	$636,397
Dividends	$360,000	$360,000	$360,000
Pension Fund ...	18,790	19,000	19,310
Deprec. of Sec's..	....	....	75,000
Patriotic Fund .	....	....	25,000
War Tax Cir. ...	30,000	26,526	....
Bal. Nov. 30 ...	$209,556	$175,835	$157,087

In reviewing the record of earnings it will be noted that while the percentage on capital is somewhat higher than in the last report, it is still somewhat below the record for several years prior to the outbreak of the war. All things considered, however, the contraction in profits is not a matter for surprise in view of the general conditions prevailing.

BANK OF HAMILTON EARNINGS.

	Earnings	Div's.	% earned on capital	*% on Invest.
1916 ...	$442,525	12	14.7	6.8
1915 ...	424,274	12	14.4	6.28
1914 ...	485,265	12	16.5	7.9
1913 ...	498,273	12	16.6	7.8
1912 ...	495,860	12	16.5	7.6
1911 ...	443,506	11	16.2	...
1910 ...	422,090	10	15.2	...
1909 ...	382,332	10	15.2	...
1908 ...	360,308	10	14.5	...
1907 ...	384,708	10	15.5	...
1906 ...	371,251	10	15.0	...
1905 ...	357,273	10	15.4	...

*% earned on the balance brought forward, rest and capital represent the shareholders' funds.

The total assets of the institution at the end of the year stood at $57,163,244, indicating an increase of $8,908,525. Deposits were largely responsible for this increase, demand deposits being larger by $2,625,423 and savings deposits by $4,703,786. Assets reveal large investments in several departments. The most important of these is the growth in current loans of $3,876,836, and of call loans in Canada by $1,627,784. There was also an increase in holdings of public securities of $3,464,597, including the bank's investments in financing British munition contracts in this country.

In immediately available liquid assets, according to THE POST'S analysis, there was a decline of $284,096. However, although this is a very small change, the increase in total assets reduced the percentage of immediately available from 23.20 to 19.08, while the percentage of total liabilities to the public declined from 27.20 to 21.76 per cent. The important changes in immediately available assets were a decline of $1,377,635 in holdings of Dominion notes and an increase of $1,100,000 in gold reserve. Comparative figures follow:—

Immediately Available Liquid Assets.

	1916.	Change.
Specie	$ 860,143+	$ 60,352
Dom. Notes	4,462,261—	1,377,635
Note cr. dep.	157,000+	2,000
Notes bank	437,655+	156,435
Bank balances	119,399—	221,415
Do abroad	439,410—	514,621
Gov. securities	569,458+	227,285
Cheques	2,337,085+	283,503
Gold Reserve	1,500,000+	1,100,000
	$10,882,411—	$ 284,096
% of total assets ...	19.08	
% of total liabilities to public	21.76	

Other Assets.

Public securities ...	$ 6,635,337+	$3,464,597
Other securities	641,982+	61,880
Call loans	3,844,635+	1,627,784
Current	31,995,962+	3,876,836
Overdue debts	178,195+	28,802
Letters of credit	119,731+	62,556
Real estate	485,606+	138,909
Premises	2,042,596—	58,624
Other assets	336,889—	10,119
	$46,280,933+	$9,192,621
Total Assets	$57,163,344+	$8,908,525

Liabilities to Public.

Circulation	$ 4,409,351+	$ 910,521
Demand deposits ...	10,927,819+	2,625,423
Savings deposits ...	34,470,355+	4,702,786
Due banks	31,799+	25,641
Due elsewhere	604,136+	538,585
Acceptances	119,731+	62,555
	$50,563,191+	$8,874,511

Liabilities to Shareholders.

Capital	$ 3,000,000	$........
Reserve	3,300,000	....
Dividends	90,597+	279
Balance	209,556+	33,735
	$ 6,600,153+	$34,014
Total Liabilities	$57,163,344+	$8,908,525

HADFIELD'S GET ORDER.

Tender Awarded to British Firm by U. S. Government.

Contract for 4,000 sixteen-inch shells and 3,500 fourteen-inch shells has been awarded by the United States Government to Hadfield's, Ltd., of England, whose bid on this contract was so much lower than the bid put in by American steel interests.

HEAVY CHARGES IN LIQUIDATING DOMINION TRUST

The Legal Expenses Are Reducing Prospects of the Shareholders.

EFFORT TO SELL THE BUILDING

Offer of $275,000 for Structure Which Stood on Books at $625,000 Refused—Mortgage of $275,000 Against the Property.

Although the process of liquidation in connection with the affairs of the Dominion Trust Company has been going on for more than two years, no statement has been issued to the shareholders or creditors, and with two or three exceptions, not even salary claims of some $15,000—earned previous to liquidation—have been paid, although the liquidation expenses are not neglected. Some dissatisfaction prevails in Vancouver as to the extent to which liquidation expenses, largely in connection with legal actions, are being incurred. At the present time, the chances of recovering the funds of the depositors are regarded as very slight, while local shareholders have long since given up all hope of even a partial dividend. The liquidator is evidently endeavoring to realize on the assets and has been negotiating with the City Council to buy the Dominion Trust Building, which stood on the books at $625,000, against which is a mortgage of $225,000. His price to the Council is $275,000, but the offer was refused. Unless the building is disposed of by February, it will undoubtedly be taken over by the mortgagee. It is a remarkably good buy at the figure, especially as terms can be secured.

The late Government in Victoria set aside an amount of $250,000 for the benefit of the depositors, but nothing has been heard of its payment, nor is it likely to be. During its lifetime the Trust Company filed with the Government guarantee bonds to the value of $250,000 for the benefit of depositors and creditors, as an evidence of good faith. This week the Minister of Finance started proceedings for the payment of the bond of $50,000 against the London Guarantee Co. The Minister will also take up the action started some time ago on the other bond of $200,000 against the Railway Passengers' Guarantee Co. Some time ago the shareholders of old Dominion Trust Company were made contributions on their unpaid shares, but this decision was upset by Judge Murphy. Now the matter has been taken to the B. C. Supreme Court, which body has reserved judgment. The decision involves the payment of $173,000. The late Arnold carried $450,000 on his life, most of which was for the benefit of the company. Over $200,000 of this has been paid. The balance is being contested.

The Company's History.

The Dominion Trust Company was Incorporated as a limited liability company in British Columbia in 1905, and carried on a trust company business, which at that time meant real estate speculation, accepting deposit monies, and using such funds in any way desired by the guiding genius, the late W. R. Arnold. The promoters were successful in securing as directors the names of some of British Columbia's most representative citizens, such names being largely responsible for the confidence of the greater part of the public in the company. In 1912, the company applied for and received a Dominion charter and established branch offices in thirteen cities, in each of which, with but few exceptions, an advisory board directed the actions of the branch manager. Offices were maintained overseas in London and Antwerp, both of which did a very considerable business in five per cent. first mortgage certificates, an example of this being cited in THE POST'S issue of the 16th ult. Although under its Dominion charter, it is claimed, the company had no powers to accept deposits, this practice was carried on and as a result the present liquidator has ruled that depositors are not entitled to preferred consideration, if any at all. The company continued its apparently successful business until the 12th of October, 1914, when Arnold was killed. The 10th of October was virtually the last business day of the company, Monday, the 12th, being Thanksgiving. C. G. Pennock, an ex-bank manager, took temporary charge, but a few days later a temporary liquidator was appointed on a court order and on the 9th of November, Andrew Stewart, resident manager of Marwick, Mitchell, Peat & Co., became permanent liquidator.

BRITISH VIEW OF STEEL TRADE AFTER THE WAR.

Continued from page 1.

can iron and steel works capacity is nearly four times as great as that of Britain. The American workmen give a larger output per man, or machine, than ours do. But in the last 15 years before the war we exported nearly a sovereign's worth of iron and steel for every dollar's worth exported by the Americans. Huge works in the States were often kept idle whilst we and the Germans, between us, took the bulk of the world's export trade. In their own protected home market, with its one hundred million of people, the United States iron and steel makers could sell between 20,000,000 and 30,000,000 tons of products a year; but their export business only amounted to between 1,000,000 and 2,000,000 tons a year, against Britain's exports, during late years, of between 4,000,000 and 5,000,000 tons, and Germany's 4,000,000 to 6,000,000 tons a year. The fact was that both Britain and Germany could sell cheaper than the Americans in neutral markets. But can we, after the war, produce and ship steel goods cheaper than the Americans?

The danger to us is that our costs may be so enhanced by the war that they will be higher even than those of America. American costs are high because in the United States a distance of about a thousand miles separates the coal from the iron ore, because another 400 or 500 miles seperate the steel works from the shipping ports, and because wages and salaries are high. In our country we hold a unique advantage in having our raw material supplies, our manufacturing plants, and our shipping ports all practically side by side. In any case we need not fear that the Americans will ever attempt to undersell us by means of export bounties and sibsidies, as the Germans did. The probability is that the bulk of an enormous export trade in iron, steel, and engineering products will stand to be shared between Britain and the United States, at highly profitable prices. Our works will be taxed to their uttermost capacity, with the over flow of orders going to America. Though we shall be burdened with war taxation, it is highly likely that this new handicap will be off-set by improved industrial efficiency, and that we shall still be able to produce and ship more cheaply than our American rivals.

Outlook for Consumption.

There seems to be a well founded opinion in England that the end of the war will not find the cessation of demand for iron, steel and engineering products which might be expected in view of the present enormous output of munitions. It is pointed out that the world's agriculture, which is its chief industry, employing more people than all manufacturing trades put together, is enjoying unprecedented prosperity and this should be reflected in the consumption of iron and steel goods. Also it is confidently expected that there will be great activity in railway building with an attendant demand for steel. On the continent it is anticipated that repairing damage will be responsible for large consumption, while in Asia, especially in China and India, the solution of transportation problems should be an important factor. Then the continued development of agricultural areas should be accompanied by further requirements for transportation facilities. Shipbuilding, too, is expected to prove an important factor in the expected activity in steel and kindred trades.

ANNUAL MEETINGS.

The Phillips Manufacturing Co., Ltd.

THE Annual General Meeting of the shareholders of Phillips Manufacturing Company, Limited, will be held at the office of the Company, Carlaw Avenue, on Wednesday, February 14, 1917, at 5 p.m.

H. B. PHILLIPS,
President.

Toronto, January 18, 1917.

Bank of Nova Scotia

NOTICE is hereby given that the Annual General Meeting of the Shareholders of this Bank will be held in the Banking House, Hollis Street, Halifax, on Wednesday, the 24th January next, at eleven o'clock, a.m., for the purpose of receiving a statement of the affairs of the Bank, for the election of Directors and for other business.

By order of the Board,
M. A. RICHARDSON,
General Manager.

Halifax, N.S., December 15th, 1916.

The Montreal City & District Savings Bank

THE Annual General Meeting of the Shareholders of this Bank will be held at its Head Office, St. James Street, on Monday, the Twelfth day of February next, at 12 o'clock noon, for the reception of the Annual Reports and Statements, and the Election of Directors.

By order of the Board,
A. P. LESPERANCE.

Montreal, January 8th, 1917.

DIVIDENDS DECLARED.

Dominion Bridge Company, Limited

DIVIDEND NOTICE.

A DIVIDEND of two per cent. for the present quarter has been declared, together with a Bonus of two per cent., payable February 15th, to Shareholders of record at the close of business on January 21st, 1917.

By order of the Board,
R. MONTAGUE DAVY,
Secretary.

Montreal, January 17th, 1917.

The Merchants Bank of Canada

QUARTERLY DIVIDEND

NOTICE is hereby given that a dividend of TWO AND ONE-HALF per cent. for the current quarter, being at the rate of TEN per cent. per annum, upon the Paid-up Capital Stock of this Institution, has been declared, and will be payable at its Banking House in this city and at its Branches, on and after the 1st day of February next, to Shareholders of record at the close of business on the 15th day of January.

By order of the Board,
D. C. MACAROW,
General Manager.

Montreal, 26th December, 1916.

Montreal Tramways Company

DIVIDEND NOTICE.

NOTICE is hereby given that a quarterly dividend of two and one-half per cent. (2½%) for the quarter ending the 31st December, 1916, has been declared upon the paid-up Capital Stock of the Company, paid in, to Shareholders of record on Monday, the 15th day of January, 1917, at 4 o'clock p.m. payable on Thursday the 1st day of February, 1917.

By Order of the Board,
PATRICK DUBEE,
Secretary-Treasurer.

December 18th, 1916.

Hollinger Consolidated Gold Mines Limited

(No Personal Liability)

DIVIDEND NO. 56.

THE regular four-weekly dividend of 1 per cent. upon the outstanding capital stock has been declared payable 29th January, 1917, on which date cheques will be mailed to shareholders of record at the close of business on 20th January, 1917.

D. A. DUNLAP,
Secretary-Treasurer.

DATED, 12th January, 1917.

The Civic Investment & Industrial Company

2ND DIVIDEND.

Notice is hereby given that a Dividend of One per cent. on the Paid-up Capital Stock of the Company (being at the rate of Four per cent. per annum), for Quarter ending January 31st, 1917, has this day been declared:

1st. To Shareholders of record January, 31st, 1917, on the Montreal and London, England, Registers.

2nd. To Holders of Share-warrants in redemption of Coupon Series No. 2.

Dividend cheques will be mailed to registered Shareholders February 15th, 1917; Share-warrant Coupons will be redeemed on presentation at the Company's office, 308 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 rue Barbet de Jouy, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, January 15th, 1917.

The Civic Investment & Industrial Company

Operating

The Montreal Light, Heat & Powet Company

63rd Dividend

Notice is hereby given that a Dividend of Two per cent. on the Paid-up Capital Stock of THE MONTREAL LIGHT, HEAT & POWER COMPANY (being at the rate of Eight per cent. per annum) for Quarter ending January 31st, 1917, has this day been declared:

1st. To Shareholders of record January, 31st, 1917, on the Montreal and London, England, Registers.

2nd. To holders of Share-warrants in redemption of Coupon Serial No. 63.

Dividend cheques will be mailed to registered Shareholders February 15th, 1917; Share-warrant Coupons will be redeemed on presentation at the Company's office, 308 Power Building, Montreal, or at the Banking House of Messrs. Martigny & Company, 28 rue Barbet de Jouy, Paris, France.

By order of the Board,
C. S. BAGG,
Secretary-Treasurer.

Montreal, January 15th, 1917.

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R. G. DUN & CO.
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Address enquiries to
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Dominion Bank Bldg. Toronto, Can.

UNION BANK OF CANADA

52nd ANNUAL MEETING

The 52nd Annual General Meeting of the Shareholders of the Union Bank of Canada, was held at its banking house, in the City of Winnipeg, on Wednesday, the 10th day of January, at 12 o'clock noon.

PROFIT AND LOSS ACCOUNT.

Balance at credit of account, 30th November, 1915	$106,976.75
Net profits, for the year, after deducting expenses of management, interest due depositors, reserving for interest and exchange, and making provision for bad and doubtful debts, and for rebate on bills under discount, have amounted to	651,183.67
	$758,160.42
Which has been applied as follows:—	
Dividend No. 116, 2 per cent., paid 1st March, 1916..........	$100.000.00
Dividend No. 117, 2 per cent., paid 1st June, 1916	100,000.00
Dividend No. 118, 2 per cent., paid 1st September, 1916..........	100,000.00
Dividend No. 119, 2 per cent., payable 1st December, 1916..........	100,000.00
Bonus of 1 per cent., payable 1st December, 1916	50,000.00
Transferred to Contingent Account	150,000.00
Contribution to Officers' Pension Fund	10,000.00
Contribution to British Sailors' Relief Fund	5,000.00
War Tax on Bank Notes Circulation to 30th November, 1916	50,000.00
Balance of Profits carried forward	93,160.42
	$758,160.42

LIABILITIES.

Capital Stock		$ 5,000,000.00
Rest Account	$ 3,400,000.00	
Balance of Profit and Loss Account carried forward	93,160.42	
	$ 3,493,160.42	
Unclaimed Dividends	4,013.53	
Dividend No. 119, payable 1st December, 1916	100,000.00	
Bonus of 1 per cent., payable 1st December, 1916	50,000.00	
		3,647,173.95
		$ 8,647,173.95
Notes of the Bank in circulation	$ 8,815,117.00	
Deposits not bearing interest	29,122,848.51	
Deposits bearing interest	60,144,940.61	
Balances due to other Banks in Canada	320,936.02	
Balances due to Banks and Banking Correspondents elsewhere than in Canada	1,476,235.12	
		99,880,077.26
Acceptances under Letters of Credit..........		512,281.32
Liabilities not included in the foregoing		695.50
		$109,040,228.03

ASSETS.

Gold and Silver Coin	$ 3,139,492.20	
Dominion Government Notes	6,965,529.00	
		$ 10,105,021.26
Deposit with the Minister of Finance for the purpose of the Circulation Fund		260,000.00
Deposit in the Central Gold Reserves		4,700,000.00
Notes of other Banks		937,860.00
Cheques on other Banks		4,016,128.02
Balances due by other Banks in Canada		49,872.56
Balances due by Banks and Banking Correspondents elsewhere than in Canada		700,455.05
Dominion and Provincial Government Securities not exceeding market value		2,100,547.50
Canadian Municipal Securities, and British, Foreign and Colonial Public Securities other than Canadian		14,445,701.09
Railway and other Bonds, Debentures and Stocks not exceeding market value........		3,170,871.47
Call and Short (not exceeding 30 days) Loans in Canada, on Bonds, Debentures and Stocks		7,616,488.64
Call and Short (not exceeding 30 days) Loans elsewhere than in Canada		8,484,897.00
		$ 56,587,852.59
Other Current Loans and Discounts in Canada (less rebate of interest)		49,173,367.16
Other Current Loans and Discounts elsewhere than in Canada (less rebate of interest)...		846,117.55
Liabilities of customers under Letters of Credit, as per contra		512,281.32
Real Estate other than Bank Premises		355,982.24
Mortgages on Real Estate sold by the Bank.		104,404.03
Overdue Debts, estimated loss provided for..		341,352.87
Bank Premises, at not more than cost, less amounts written off		1,106,255.38
Other Assets not included in the foregoing...		12,614.89
		$109,040,228.03

JOHN GALT, President.

G. H. BALFOUR, General Manager.

REPORT OF THE AUDITORS TO THE SHAREHOLDERS OF THE UNION BANK OF CANADA.

In accordance with the provisions of sub-sections 19 and 20 of Section 56 of the Bank Act, we report to the Shareholders as follows:

We have audited the above Balance Sheet with the books and vouchers at Head Office and with the certified returns from the branches.

We have obtained all the information and explanations that we have required, and are of the opinion that the transactions of the Bank which have come under our notice have been within the powers of the Bank.

In addition to our verification at the 30th November, we have, during the year, checked the cash and verified the securities representing the investments of the Bank at its chief office and principal branches, and found them to be in agreement with the entries in the books of the Bank relating thereto.

In our opinion the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the affairs of the Bank, according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

T. HARRY WEBB, E. S. READ, C. R. HEGAN,
Auditors, of the firm of
WEBB, READ, HEGAN, CALLINGHAM & CO.,
Chartered Accountants.

Winnipeg, 20th December, 1916.

LAKE FREIGHT RATES TO STAY AT HIGH LEVEL

Shipping Authority Predicts That They Will be up for Years.

ORE THE DOMINATING FACTOR

Shippers Are Paying Three and Four Times Pre-War Prices for Tonnage and Must be Assured of Fair Returns.

BY L. L. HENDERSON,
President, the Montreal Transportation Co.

Lake freights will remain up for years to come. In fact, they must do so to enable boats now being purchased or built at the prevailing rates for tonnage to make any adequate return on the investment. And naturally shipowners are not making such investment without some assurances as to the future.

Particularly are high rates assured for next season. The condition prevailing in the steel industry makes this certain. All inland freight rates are absolutely dependent upon the amount of ore which is carried down the lakes, and this, of course, is equally dependent upon the demand for steel. As everyone knows, the steel industry occupies a position of unparalleled strength. It is sold up in some departments into 1918, and is almost entirely sold up for 1917. Hence activity is certain for the coming season, in spite of all eventualities, and shipowners look forward to the biggest ore movement that has ever obtained on the lakes.

Normal Lake Business.

The regular lake business consists chiefly of ore, coal, and grain. In a normal year the proportions are about 50,000,000 tons of ore, 12,000,000 tons of coal, and 10,000,000 tons of grain handled. These figures indicate the important influence the amount of the ore freight has on the rates. If the demand for ore falls off, the boats of the ore fleet jump to the grain trade, and correspondingly depress rates in it. If, on the contrary, the ore trade is working to capacity, so that no ore boats are seeking grain or other cargoes, rates in the latter stiffen up in proportion. It may be taken for granted that when the Western farmers are complaining of the high cost of the grain rate on the lakes, it is because the ore movement has been speeded up. The coal rate on the lakes is controlled by the coal operators, and is the cheapest in the world for this class of freight.

Shipowner Powerless.

The shipowner has nothing to do with rates except to take advantage of the law of supply and demand. The large fleet of the United States Steel Corporation forms the nucleus of the ore-carrying trade, and naturally determines the rates going for the rest.

1916 Freight Rates.

Flat rates based on the ore rate prevail for grain and coal-carrying as against individual freights for general contracts. For the season of 1916 the grain rate was 50 per cent. above normal. Iron ore and coal season contract rates, which move westward and beyond Montreal, only ruled 25 per cent. above the normal, but, as previously stated, there is every indication of advances for 1917. Contracts having already been made at $1 per ton on ore against contract rates of 40c in 1915 and 50c in 1916.

Added Cost of Operation.

In addition to the higher capital cost of tonnage, which is too well known to require enlarging on, there is the matter of the increased cost of operation in relation to the probability of higher freight rates ruling for the future. The added cost of fuel, labor, material and repairs, has added from 35 per cent. to 40 per cent. to the cost of operating on the lakes as compared to the spring of 1915. And the cost is still advancing The increased tonnage values have necessitated higher insurance values on which to pay premiums, which is no small item in itself.

High Freights Necessary for 5 Years.

In view of the combination of increased tonnage and operation costs. a period of high freights for 5 or 6 years to come would appear not only to be necessary, but in view of tonnage requirements, certain as well. Shipping companies are under the same necessity as others of keeping their plant up, but in view of the situation existing, they, too, are forced to go conservatively.

Shipbuilding activity in Canada seems to be assured for three or four years, but beyond that the future cannot be foreseen. One thing at least is certain: shipowners who are paying three or four times the normal or anti-war value of tonnages, and who are best posted on traffic conditions, have undoubtedly convinced themselves that there is a long period of high freights in sight.

Canadian Northern Railway System

Tremendous growth and development of System's business during past fiscal year shown in report of Board of Directors.

The Canadian Northern Railway System in its first year as a transcontinental line, reported tremendous increases in the amount of traffic handled over its lines. The statement proves that the system is an important factor in the solution of the transportation problems of the country.

Details of operations with comparisons with previous year:—

	1916	1915
Gross Earnings		
From Passenger traffic	$ 6,128,470	$ 5,411,224
" Freight Traffic	26,560,213	18,207,800
" Express, mail, telegraph, interest and profits from elevators and other subsidiary companies, investments, etc.	2,787,591	2,293,081
	$35,476,275	$25,912,106
Working Expenses (including taxes, etc.)	26,102,744	19,288,814
Net Earnings	$ 9,373,530	$ 6,623,291
Deducting Fixed Charges	9,621,657	8,263,574
Net loss or deficit	$ 248,127	$ 1,640,283

The System had under operation an average of 8,048 miles in 1916 as compared with an average of 7,269 miles in 1915, an increase of 779 miles, or 10.72%.

REVENUE:—The total operating revenues, as compared with previous year showed a total increase of 36.91%; Passenger traffic an increase of 13.25%; Freight traffic an increase of 45.87%; Mails an increase of 6.05%; Express an increase of 30.27%; Miscellaneous traffic 19.96%. The Company carried 131,978,809 bushels of grain in 1916, as compared with 58,575,520 bushels in 1915, an increase of 73,403,289 bushels or a gain of 125.31%.

While a portion of the increased earnings is due to an increased mileage, a substantial improvement has been made in the System's business. This is indicated by the fact that earnings per mile of road for the year were $4,408, as compared with $3,564 for the previous year, an increase of 23.66%.

OPERATING EXPENSES:—The operating expenses were $26,102,744, an increase of $6,813,930, or 35.33%. A portion of this increase is due to the operation of a greater mileage and to expenses incidental to taking over new lines.

The working expenses for the year were 74.73% of the operating revenue, a reduction of 1.93% compared with the previous year. Including revenue from all sources, the ratio of working expenses was 73.58%, compared with 74.44%.

GENERAL FEATURES:—The British Columbia section from the commencement produced each month substantial increases in revenue, and before the close of the fiscal year yielded most encouraging revenues. The excellent showing made by the mileage in British Columbia, after only seven months of operation, may well be considered an outstanding feature in the year's operations.

The colonization of Northern Ontario has been retarded by the war; but, peculiarly enough, there is a compensating feature in the inordinate demand for paper and its consequent startling increase in costs.

It must be considered fortunate that the Canadian Northern System and the country tributary to it were sufficiently developed to take an important part in supplying the Empire's food requirements.

An agreement of great importance in the development of the System's freight and passenger traffic was made with the Cunard Steamship Company.

During the year there were sold of the System's lands 19,443 acres at an average of $16.37 per acre. The company still owns 843,127 acres of land in the Prairie Provinces available for sale.

As completed, the main line from Quebec to Vancouver, is superior to any line crossing the Continent of America in points of grades and curvatures favoring traffic. The superior economies of the road have established the fact that the lines must assume a commanding position when traffic has grown to dimensions making general the use of heavy train loads.

The present situation emphasizes the fact that the Railway is not as dependent upon grain crop movements as in the past, and in becoming transcontinental has acquired a highly diversified traffic. The developments of the year confirm the directors in the belief that they strongly hold, that the ultimate prosperity of the Canadian Northern Railway System is measurable only by the prosperity of the Dominion of Canada.

SOLDIERS' INSURANCE.

Non-residents of Toronto Not Entitled to Share Under Civic Plan.

That non-residents of Toronto are not entitled to share under the insurance plan promoted by the city for soldiers enlisting here was the ruling of Justice Kelly in a judgment handed down in Osgoode Hall this week, dismissing with costs the case of Mrs. Henry R. Lancaster, Vaughan road, who sued the city for $1,000. The plaintiff claimed this amount alleged due by the defendant under a policy of life insurance in the Metropolitan Life Insurance Co. on the life of her husband, a member of the Princess Patricia Light Infantry, who died Feb. 5, 1916.

The couple were married in England in 1903 and came to Toronto in 1910, where Lancaster was employed as a laborer. They lived in four different lodgings in that time and when he enlisted, August 14, 1914, he was going to and from work to his home on Vaughan road. To be near friends and because of her health, the wife continued to reside there.

Justice Kelly declares that the first record of negotiations relative to the insurance was the companys superintendent's letter stating that the entire contingent would be insured. No contract was entered into between the soldier and the company, the justice adds, but says the wife contended that despite the lack of contract the insurance was entered into by the city in trust for her benefit.

The justice declares that the city's contention was never to include within the scope of the insurance those soldiers who did not reside in Toronto.

PERMITS WILL BE ISSUED.

Ontario Will Legislate to Have Settlers' Fires Controlled by Permit.

Ontario proposes to follow the practice of other provinces and have the burning of settlers' slash and brush done under permit. Where this regulation has been introduced it is said that first hostility which naturally arises from a seeming prohibition has actually changed to enthusiastic approval, for the immunity it provides from outbreaks that have been known from time to time in places where care was not properly exercised.

The method of issuing permits will be simple. When the settler wishes to burn some land he has chopped over he will make an application to the proper official of the fire prevention force, who will assign a fire ranger to supervise the burning. The proper apparatus will be brought to the place, suitable weather and wind conditions chosen and the burning will proceed without the hazard that has resulted in the loss of so much life and property previously.

There are other details of the scheme to be worked out, but this is the main line, and the necessary legislation will be sought when the Legislature meets.

PAPER MEN ARE WAITING FOR THE BLOW TO FALL

Continued from page 1.

foreign investor as well as the foreign consumer of Canadian news print will be minimized."

Mr. Campion remarked that the paper manufacturers would hardly think of questioning the power of the government to fix a maximum price for their product, but the question of how far they can go in forcing them to supply the demands of the newspapers is another matter.

How Far Can They Go.

"We are not crossing such bridges until we come to them," said Mr. Campion, "but this is a matter to which, naturally, some thought has been given. I may fix $5.00 a day as the maximum salary that I will pay any particular employee, but have I any power to compel him to work for me?"

That the attitude of the manufacturers towards the publishers, was not one of hostility, was indicated, said Mr. Campion, "by our offer to guarantee them their usual supply of paper.

We said: You need not worry about getting paper, but in view of the present abnormal conditions, do not ask us to quote prices too far in advance. Wages are constantly advancing; and the price of various necessary materials has advanced from one hundred to four hundred per cent. On some lines of goods used in our business we cannot get a price on. We can place the order, but the price that we will be required to pay, will be the ruling market price at the time of delivery. How can we quote a year's price for paper under such conditions.

Mr. Campion said that the manufacturers finally suggested that a price be agreed upon at three months' intervals during the year, but the publishers refused to entertain the idea.

A Wide Difference.

"The publishers refused to pay more than $5.00 a ton in advance of last year's prices, whereas the manufacturers considered that a fairer advance would be nearer $20 a ton."

Mr. Campion regretted that the publishers of Canada had considered it necessary to approach the government for relief before they consulted the manufacturers. Such a course was not altogether conducive to harmonious relations between sellers and consumers.

"The present situation is only temporary," said Mr. Campion, "and the law of supply and demand will continue to operate after the war as well as during the war."

Hysterical Charges.

With reference to the hysterical charges made against the Canadian paper manufacturers, by the United States papers, Mr. Campion said that Canada only supplied 20 per cent. of the new print used in the United States.

"How can we fix the price over there? Their own manufacturers supply the other 80 per cent. and consequently the market price is fixed the other side of the line.

"Did anyone come to the relief of the manufacturers when prices were cut to the bone. The company that I am connected with is losing money on every ton of news print that it is producing at the present time; because news is sold on contracts extending over one, two or three years, and our wages have been increased thirty per cent. the past year, and we are now confronted with another ten per cent. increase. Not only have wages increased, but the labor is only about 60 per cent. efficient, as compared with ante-bellum conditions. We are not crawling under the bed, seeking relief from outside sources, but we are carrying out our contracts as business men should do."

Mr. Campion remarked that the buyers of paper securities at the peak of the market a few months ago were probably pretty well disillusionized by this time. The fabulous claims that were so alluringly set forth in the prospectuses of promoters of vivid imagination, but little or no knowledge of the paper industry, are being appreciated at more nearly their true value, but a lot of mischief has been done in the meantime."

"We expect the decision of the Finance Minister any day now," concluded Mr. Campion. "after that, the deluge, etc."

Banque d'Hochelaga

Forty-Second Annual Report

Gentlemen,—Your Directors have the honor of submitting their report on the operations of the Bank for the fiscal year ending 30th November, 1916.

PROFIT AND LOSS ACCOUNT

30th November, 1916

CREDIT.

Balance at credit of Profit and Loss Account, 30th November, 1915		$40,622.08	
Net Profits for the year ending 30th November, 1916, after deducting cost of Management, Interest accrued on Deposits, rebate of Interest on Discounts, and making full provision for all bad and doubtful debts		546,011.90	
			$586,633.98

DEBIT.

Dividend paid 1st March, 1916	$90,000.00		
Dividend paid 1st June, 1916	90,000.00		
Dividend paid 1st September, 1916	90,000.00		
Dividend payable 1st December, 1916	90,000.00		
		$360,000.00	
Carried to Officers' Pension Fund		5,000.00	
Reserved for depreciation on investments and other assets		110,000.00	
War Tax on Bank Note Circulation to 30th November, 1916		36,386.13	
Written off Furniture at Branches		22,536.80	
Subscription to Canadian Patriotic Fund		10,000.00	
Balance at credit of Profit and Loss Account 30th November, 1916		42,711.05	
			$586,633.98

BEAUDRY LEMAN, General Manager. J. A. VAILLANCOURT, President.

GENERAL STATEMENT

30th November, 1916

LIABILITIES.

Capital Stock paid in	$4,000,000.00	
Reserve Fund	3,700,000.00	
Unclaimed Dividends	4,836.17	
Dividend payable 1st December, 1916	90,000.00	
Balance of Profit and Loss Account carried forward	42,711.05	
		$7,827,547.22
Notes of the Bank in Circulation	$4,154,382.00	
Deposits not bearing Interest	5,338,224.51	
Deposits bearing Interest, including Interest accrued to date of statement	24,242,305.61	
Balances due to Banks and Banking Correspondents in United Kingdom and Foreign Countries	234,728.16	
Acceptances under Letters of Credit	54,330.41	
		$34,023,980.69
		$41.861.527.91

ASSETS.

Gold and other Current Coin	$ 392,592.47	
Dominion Notes	3,953,467.75	
		$ 4,346,060.22
Deposit with the Minister of Finance for the purpose of the Circulation Fund		171,467.29
Deposit in the Central Gold Reserves		700,000.00
Notes of Other Banks		259,562.00
Cheques of Other Banks		1,294,929.35
Balances due by Other Banks in Canada		925,398.49
Balances due by Banks and Banking Correspondents elsewhere than in Canada		1,715,534.40
		$9,413,151.75
Dominion and Provincial Government Securities, not exceeding market value	896,483.60	
Canadian Municipal Securities, and British, Foreign and Colonial Securities other than Canadian, not exceeding market value	3,677,634.87	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	304,307.00	
		4,878,425.47
Call and Short (not exceeding thirty days) Loans in Canada on Stocks, Debentures and Bonds		1,686,053.62
		$15.977,630.84
Loans to Cities, Towns, Municipalities, Parish and School Districts		1.275.723.53
Other Current Loans and Discounts in Canada (less rebate of interest)		22,259,301.10
Overdue Debts, estimated loss provided for		148,255.82
Liabilities of Customers under Letter of Credit as per contra		54 330.41
Real Estate other than Bank Premises		227,074.93
Mortgages on Real Estate sold by the Bank		106,533.48
Bank Premises at not more than cost, Mortgages deducted (less amounts written off)		1.557.402.65
Other Assets not included in the foregoing		255,275.15
		$41 861 527 91

BEAUDRY LEMAN, General Manager. J. A. VAILLANCOURT, President.

AUDITORS' CERTIFICATE

We report to the Shareholders of the Banque d'Hochelaga:

That we have checked the cash and verified the securities of the Bank at the Chief Office at 30th November, 1916, as well as at another time, as required by Section 56 of the Bank Act, and found they agreed with the entries in the books in regard thereto; and that during the year we also made examinations of the accounts of some of the principal branches.

That we obtained all the information and explanations required by us and that in our opinion the transactions of the Bank which have come under our notice have been within the powers of the Bank.

That we have examined the books and accounts at the Head Office and have compared the above Balance Sheet with these books and with the certified returns from the branches and that, in our opinion, the Balance Sheet is properly drawn up so as to exhibit a true and correct view of the state of the Bank's affairs according to the best of our information and the explanations given to us, and as shown by the books of the Bank.

S. ROGER MITCHELL, C.A.,
of Marwick, Mitchell, Peat & Co.
GEO. GONTHIER, L.I.A.,
of Gonthier & Midgley.
} Auditors.

Montreal, 14th December, 1916.

THE MINING, MANUFACTURING AND DEVELOPMENT COMPANY OF CANADA, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 28th day of December, 1916, incorporating Richard H. Holmes and John Gumar Holmes, barristers-at-law, Felicia Pell Holmes and Vera Aloha Forbes, married women, and Archibald William Forbes, doctor of dental surgery, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To carry on the business and operations of mining, milling, smelting, refining, prospecting, developing, and manufacturing of goods, wares and merchandise of every description. To produce, refine, acquire by purchase or otherwise, deal in ores of all kinds, gold, silver, nickle, copper, platinum, tungsten, radium, coal, coke, metals, minerals, and mineral substances of all kinds and products thereof. (b) To own, buy, sell, operate, and deal in lands, leases, options, concessions, and interests therein, which the company may believe to be directly or indirectly to their advantage; (c) To build, acquire, own, charters, wharfs, navigate boats, and vessels of every description, inland, and on the high seas; (d) To own, lease, buy, sell, have, and deal in, all kinds of minerals and timber lands and interests therein, lumber and timber, and the products thereof; (e) To own, lease, buy, sell, operate, water rights, water powers, dams, reservoirs, ditches, electric plants, steam plants, tramways of every description; (f) To buy, sell, own, manufacture, deal in as a whole or in part, goods, wares, and merchandise which the company may believe to be profitable or incidental to the carrying on of their business; (g) To pay out of the funds of the company all or any of the expenses of, or incidental to, the formation and organization thereof and to employ, contract with, and provide for, the remuneration of brokers, commission agents and underwriters upon any issue of shares, bonds, debentures, debenture stock, or securities of the company which the directors may deem expedient; (h) The objects specified in each paragraph hereof shall not in any way limit or confine the powers of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Mining, Manufacturing and Development Company of Canada, Limited," with a capital stock of two hundred thousand dollars, divided into 200,000 shares of one dollar each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 2nd day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

Preferred Shares

A purchase of industrial cumulative preferred shares of high standing Companies is the best form of investment yielding a high return. Safety and in many cases the promise of a mild increase in price can be obtained.

We have compiled in letter form, information covering the best of these issues. We shall be pleased to send you this information on request.

F. H. Deacon & Co.
Members Toronto Stock Exchange
INVESTMENTS
97 Bay Street
Toronto - Canada
15

ANGLINS
LIMITED
CONTRACTING ENGINEERS
MONTREAL
ALL BUILDING WORK, LARGE OR SMALL, RECEIVES OUR BEST ATTENTION

ANGLINS LIMITED
Some of our recent contracts include: Williams Mfg. Co., Loyola College, Toilet Laundry, St. Lawrence Sugar Refinery, Belding Paul Corticelli, Bell Telephone, Canadian Ingersoll-Rand, Canadian Cottons, Penmans Limited, International Mfg. Co.
Our operations have included work in Montreal, Toronto, Ottawa, Quebec, Halifax, St. John, Sherbrooke, Brantford, Cornwall, St. John's, Gananoque, etc.
Estimates, etc., furnished on request.

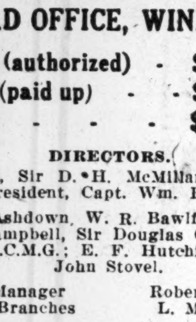
Geo. O. Merson & Co.
Chartered Accountants.
807 Lumsden Bldg., Toronto

Northern Crown Bank
HEAD OFFICE, WINNIPEG
Capital (authorized) - $6,000,000
Capital (paid up) - $1,431,200
Reserve - - - $ 715,600

DIRECTORS.
President, Sir D. H. McMillan, K.C.M.G.
Vice-president, Capt. Wm. Robinson.
Jas. H. Ashdown, W. R. Bawlf, A. McTavish Campbell, Sir Douglas Cameron, K.C.M.G.; E. F. Hutchings, John Stovel.
General Manager Robert Campbell
Supt. of Branches L. M. McCarthy

Four Branches in Alberta, seven in British Columbia. Twenty-one in Manitoba. Twenty-five in Ontario, Fifty-one in Saskatchewan. A total of One Hundred and Eight Branches throughout Canada.

V. F. CRONYN,
Manager - - - Toronto Branch



Toronto General Trusts Bldg., Toronto

REAL ESTATE MANAGED

Those who wish to place the collecting of rents, the sale or the management of real estate into experienced hands are invited to investigate the service offered by this corporation.

THE TORONTO GENERAL TRUSTS CORPORATION
Capital Paid-Up ......$ 1,500,000
Reserve ....$ 1,750,000
Assets (over) $72,000,000
BRANCHES:
Ottawa, Winnipeg, Saskatoon, Vancouver.

MONEY, BANKING AND EXCHANGE

Bank Clearings for the Dominion Showed a Gain of 13.8 per cent.—In the West the Gain was 7.9 per cent., and in the East 16.1 per cent.

For the week ending Thursday last, according to returns made to THE FINANCIAL POST, bank clearings in Canada showed an increase over the corresponding period last year of 13.8 per cent. In the West the gain was 7.9 per cent. and in the East 16.1 per cent. Only two cities in the West showed a decline, these being Victoria and Brandon. The largest gain shown was by New Westminster of 71.6; next came Calgary 43.5; Medicine Hat 39.6; Regina 29.4; Saskatoon 28.0; Lethbridge 27.2; Vancouver 26.7; Moose Jaw 23.8; Edmonton 18.6; Fort William 6.3 and Winnipeg 0.4 per cent. In the East Halifax showed a gain of 42.4; London 27.3; Toronto 25.9; St. John 21.6; Hamilton 17.8; Brantford 15.9; Montreal 9.0; Ottawa 6.6 and Quebec 5.3. For the year to date the gain was 14.8 per cent.

WEEKLY BANK CLEARINGS.

(In comparison with same week last year.)

Eastern Cities.

	Jan. 18, 1917.	Change.	%
Montreal	$ 69,197,988+	$ 5,707,158	9.0
Toronto	56,064,523+	11,538,999	25.9
Ottawa	4,655,177+	289,318	6.6
Hamilton	4,078,692+	618,519	17.8
Quebec	3,681,227+	186,382	5.3
Halifax	3,362,982+	996,215	42.2
London	2,029,772+	435,000	27.3
St. John	1,865,671+	331,076	21.6
Brantford ...	750,734+	103,113	15.9
*Peterboro ...	......	....	....
Total, East.	$145,686,767+	$ 20,205,780	16.1
Sherbrooke ..	599,329		
*Kitchener ...	......	....	....

Western Cities.

	Jan. 18, 1917.	Change.	%
Winnipeg	$ 32,587,679+	$ 124,573	0.4
Vancouver ...	6,485,867+	1,368,290	26.7
Calgary	4,749,814+	1,439,120	43.5
Edmonton ...	2,232,958+	350,241	18.6
Victoria	1,439,952—	751,596	34.3
Regina	2,551,785+	577,544	29.4
Saskatoon ...	1,401,275+	306,158	28.0
Moose Jaw...	1,080,713+	208,094	23.8
F. William...	563,692+	33,792	6.3
Brandon	433,098—	18,212	4.0
Lethbridge ..	644,217+	137,782	27.2
N. Westmin'r	293,783+	122,595	71.6
Medicine Hat	458,604+	129,981	39.6
Total, West.	$ 54,923,442+	$ 4,028,362	7.9
Gr. total...	$200,610,209+	$ 24,234,142	13.8
Year to date.	$655,459,590+	$ 85,019,559	14.8

*Returns not received at time of going to press.

U.S. BANK CLEARINGS.

Bank clearings in the United States for the week ending January 11 aggregate $6,045,640,000, against $5,692,801,000 last week and $4,773,000,000 in this week last year, an increase of 26.7 per cent. Following are the returns for this week and last, with percentages of change shown this week as compared with this week last year:

(000's omitted)

	Jan. 1.	I. or D.	Jan. 4
New York	$3,645,501	I 24.4	$3,453,756
Chicago	477,693	I 32.6	447,341
Philadelphia ..	314,247	I 26.6	322,669
Boston	255,509	I 98.7	218,996
St. Louis	135,068	I 67.7	145,371
Kansas City ..	140,310	I 65.0	113,029
San Francisco.	82,530	I 23.3	81,524
Pittsburgh	73,727	I 24.5	77,104
Baltimore	44,582	D 7.2	41,129
Cleveland	68,309	I 56.1	68,803
Detroit	49,981	I 37.8	46,661
Cincinnati	40,023	I 17.0	35,844
Minneapolis ..	32,109	I 3.4	28,566
Los Angeles ..	30,344	I 28.2	25,335
Omaha	35,842	I 56.0	25,222
New Orleans..	36,197	I 44.8	36,244
Milwaukee ...	24,708	I 29.7	22,033
Louisville	26,669	I 17.8	20,900
Atlanta	29,236	I 46.1	23,821
St. Paul	14,449	D 23.6	12,084

MONEY.

The feature of the week has been the reduction of the Bank of England rate from 6 to 5½ per cent. The rate has been at 6 per cent. since July of last year, when it was advanced from 5 to 6 per cent. The present reduction is taken to indicate that the British Government has the exchange situation well in hand. Call money in London has declined from 4½ to 4 per cent. This is regarded as a temporary move, occasioned by the new loan financing. In New York, money continues cheap and plentiful, rates ranging from 1¾ to 2¼ per cent., with 2 per cent. as the prevailing rate. In Canada there is no change to report in the money situation.

EXCHANGE.

There was a further rise in demand sterling this week, the price having been carried up to 4.75⅞. Cables were strong in sympathy, and advanced to 4.76½. Francs remain practically unchanged, demand at 5.83⅜ and cables 5.84⅜. Teutonic exchange has been weaker. Marks opened the week at 68⅜ for demand and 68½ for cables, and closed yesday at 67⅜ and 67½. Austrian kronen declined from 11.35 and 11.38 for demand and cables respectively to 10.90 and 10.95. Roubles were also heavy. They opened at 29.25 and 29.35 and closed at 28.80 and 28.95.

New York funds experienced a big jump during the week. At the opening they were at 1/64 discount. By yesterday they had riven to 1-16 premium. Last year at this time New York funds were at 5-16 premium, indicating that the movement upward, which is usually to be noted at this time of the year, has been somewhat delayed this year. The fact that the grain movement is about over, and that there has been no large Government financing in the United States, helps to explain this condition.

UNIQUE EXPERIMENT IN BANKING SERVICE

St. Louis Union Bank Advertises "Business Building Bureau" for Its Patrons.

A unique idea in banking service has just been inaugurated by the St. Louis Union Bank the largest state bank in Missouri. This institution has gone out of the beaten path to assist its customers. The management does not consider that its duty to its patrons is ended when it lends them money or takes charge of their savings. It has a much broader conception of its functions and seeks to make them better business men and more useful members of the community. To this end it has established in connection with its banking business a "Business Building Bureau" the purpose and advantages of which are set forth in a series of forcible and attractive advertisements. The service is designed primarily for the benefit of the retailers who are cordially invited to take the fullest advantage of it. The keynote of the service is found in the following paragraph which is taken from the second advertisement of the series:

"Every modern banking institution recognizes its duty to its depositors as a custodian of their wealth. We recognize the further duty which requires that the users of wealth be educated to employ the best business methods in order to insure the greatest possible stability of local interests. On this last thought the service we offer is built."

The St. Louis Union Bank takes the ground that a good business man is of infinitely greater value to a community and to himself than a poor one and for that reason has placed its "Better Business Bureau" at his disposal.

Anticipating the possible objection that there is no need for this work, the St. Louis Union Bank recalls the fact that no less than 95 per cent. of all people who go in to business ultimately fail. By the aid of this bureau a retailer will be able to ascertain whether he is on the right track or not.

Canadian bankers will no doubt be keenly interested in the experiment. The elimination of waste and the conservation of our economic resources are very live questions in this country just now. Anything that will produce greater efficiency among the retailers and business men generally should not be overlooked.

The St. Louis Union Bank has blazed a new trail of service, the effect of which may be far-reaching.

Interviewed by THE POST a leading banking official warmly endorsed the idea.

"Nothing of the kind has ever been attempted by any Canadian bank, so far as I am aware. The retailer in Canada is looked after principally by the wholesaler. The policy of the banks is not to extend credit to the retailer to carry him along, but rather to the wholesaler. However, the service idea promulgated by the St. Louis Union State Bank, is educational and valuable in every way, and something of the kind might with advantage be adopted by the Canadian banks."

BANK OF OTTAWA.

James Martin, manager of the Lanark branch of the Bank of Ottawa, has been appointed treasurer of the Victorian Order of Nurses at that point.

WEYBURN SECURITY.

Oscar Marks, accountant of the Weyburn branch of the Weyburn Security Bank has been appointed manager of the new branch at Osage.

BANK OF COMMERCE.

F. S. Bowker, who enlisted in August, 1914, with the First Contingent, while attached to the staff of the Kamsack branch of the Bank of Commerce, and who was wounded some time ago, has been discharged from the army on account of his physical condition and has returned to the bank.

Sergt. Creighton, formerly of the Montreal branch of the Bank of Commerce, has returned to the bank, he being incapacitated for further military service, on account of wounds received in August, 1915.

J. E. Thomas, manager of the Chatham branch of the Bank of Commerce for twenty-three years, and for the past eight years since being superannuated, a resident of Detroit, is dead at his home in that city at the age of seventy.

BANK OF HAMILTON.

A branch of the Bank of Hamilton has been opened at Caledonia, Ont., with C. J. O'Donnell as acting manager.

In the election of directors of the Bank of Hamilton at the annual meeting held this week, all the old directors of the board were returned, these including Sir John Hendrie, who has been serving as president; Cyrus A. Birge, vice-president; Robert Hobson, C. C. Dalton, W. A. Wood, and James Turnbull. The new men elected to the board were W. E. Phin, of Hamilton, and I. Pitblado, K.C., of Winnipeg.

UNION BANK.

During 1916 the Union Bank of Canada opened seven new branches which are situated as follows:—Province of Alberta—Clairmont, Etzikom, Cluny; Province of Saskatchewan—Bulyea, Hazenmore, Prussia, Hatton; and fifteen branches have been closed, as they were not being operated at a profit, viz.: Province of Ontario—Geneva and Welland Streets, St. Catharines; Rockland, Cayuga. In Province of Quebec—St. Catherine and St. Christophe Streets, Montreal; Jonquieres. In Province of Alberta—Seven Persons. In Province of British Columbia — Vancouver Heights, Granville and Robson Streets, Vancouver; City Heights, Vancouver; Enderby, Prince George, Squamish. In Province of Manitoba—Clearwater (Sub to Crystal City), Sargent and Arlington Streets, Winnipeg. In Province of Saskatchewan—Verigin.

The total number of branches at the present time is 309.

ROYAL BANK.

At the annual meeting of the Royal Bank held recently, Mr. C. E. Neill, the general manager, in replying to a vote of thanks made an interesting announcement respecting the record of the bank overseas, and the necessity of making special provision for those of the staff overseas on their return. In this connection Mr. Neill said:

"In thanking you on behalf of the staff, I must first refer to those who are absent on military duty. The number enlisted from our ranks is now 762, and we have heard of 92 casualties—45 wounded, 18 killed or died of wounds, one missing and eight prisoners of war. I take this opportunity of expressing publicly our sense of loss, and our sympathy for the relatives of those who will not return.

In connection with the staff, one thing above all others must be borne in mind—our moral obligation to do the very best we can for our men returning from the front. This war is wearing down the fine edge of our feelings in some respects, but it must not be allowed to so dull our sensibilities that we could ever accept the sacrifices of our men as a matter of course. There are problems ahead for us in dealing with them as we wish to deal, but we are fully prepared to give the future of these men our most serious consideration."

David D. Ratz, manager of the Elmira branch of the Royal Bank, died suddenly last week. Mr. Ratz was a son of the late John Ratz, one of Elmira's pioneers, and was 40 years of age. He entered the Traders Bank as a clerk, and when the Traders was taken over by the Royal Bank was retained as manager. He is survived by his widow, a three-year-old son, his mother, and two brothers, Major J. H. Ratz, of Preston, with a Canadian overseas unit and George Ratz, Elmira, and one sister, Mrs. McMurty, London.

E. C. Jackson, for 40 years connected with the Royal Bank at Tillsonburg, and manager for several years past, will retire at his own request at the end of the month. C. E. Partions, of Vancouver, formerly manager of the Quebec Bank there, will take over the position as manager the first of February.

Announcement is made of the promotion of five vice-presidents of the National City Bank of New York to be managers, in which capacity they will assume a larger share of the responsibilities of president, Frank A. Vanderlip.

The change was said to be the crystallization of an experiment that has received a year's trial. The five men who now get new titles have served as a committee of management. They are W. A. Simonson, Samuel McRoberts, James A. Stillman, son of the chairman; Charles V. Rich, and James H. Perkins. One of the five will be known as the general manager of the bank, a position which will be held in rotation. Mr. Simonson will head the group for the first year. The Federal Reserve Board follows this custom in choosing its chairman.

The five managers relinquish their positions as vice-presidents, but no successors have been chosen, and they will retain their old desks. It is a change within the organization which will not affect the operation of the bank. The general manager will be acting president when the president is away. The five officers will all work under the jurisdiction of the president, much of whose work will be sub-divided among them.

The duties of Mr. Vanderlip have multiplied with the rapid expansion of the National City Bank. The bank's participation in foreign financing, establishment of branches in Europe and South America, acquisition of the International Banking Corporation, and growth of the National City Company have all made new demands upon his time, until the limit of his endurance has been reached. The new system is not a forerunner of his retirement, it was said, but probably means an extension of his active service. So many callers try to see the president each day that every moment of his time is spoken for. In future each of the five managers will be empowered to say the last word on any matters that have hitherto gone to the president.

Bankers said that the new plan, which has been followed in European institutions, is a natural outcome of the times, which must be adopted in one form or another by other big banks in this country.

To the numerous banking institutions recently established in Russia, has been added a new one with a capital of 5,000,000 florins. The new bank represents mostly Rotterdam capital. Following the example of the Rotterdam capitalists, Amsterdam bankers intend to open up another bank with a larger capital, the name of which will be The Niederland-Russian Bank.

Banking Business Invited
We invite the banking accounts of merchants, manufacturers, societies and individuals.
We offer the modern Banking Service of a progressive Bank, possessing ample resources, extensive connections and complete facilities.
All customers of The Bank of Toronto are assured every courtesy and attention.
Assets......................$73,000,000 ... ...

THE BANK OF TORONTO
INCORPORATED 1855
Head Office - - TORONTO, CANADA
Paid-Up Capital - $5,000,000 Reserve Funds - - $6,508,000
DIRECTORS.
W. G. Gooderham, President.
J. Henderson, Vice-President.
William Stone, John Macdonald, Lt.-Col. A. E. Gooderham, A. H. Campbell, Brig.-Gen. F. S. Meighen, J. L. Englehart, Wm. I. Gear, Paul J. Myler.
Thos. F. How, General Manager. John R. Lamb, Supt. of Branches.
T. A. Bird, Chief Inspector.
Bankers.—NEW YORK—National Bank of Commerce. CHICAGO—First National Bank. LONDON, ENG.—London City and Midland Bank, Limited.

THE HOME BANK OF CANADA
ORIGINAL CHARTER 1854
BRANCHES AND CONNECTIONS THROUGHOUT CANADA.
HEAD OFFICES AND NINE BRANCHES IN TORONTO
8-10 KING ST. WEST, HEAD OFFICE and TORONTO BRANCH
78 CHURCH STREET
Cor. QUEEN WEST and BATHURST
Cor. QUEEN EAST and ONTARIO
Cor. BLOOR WEST and BATHURST
236 BROADVIEW, Cor. WILTON AVE.
DUNDAS ST., Cor. HIGH PARK AVE.
YONGE ST. SUBWAY, Cor. ALCORN AVE.
EXHIBITION CAMP, EXHIBITION PARK.

THORNTON DAVIDSON & CO.
Members Montreal Stock Exchange
STOCK AND BOND BROKERS BONDS FOR INVESTMENT
Orders Executed On All Markets
Weekly Letter Mailed On Application
Rooms 420-421-422 Transportation Building, Montreal, Quebec

MODERN BUSINESS DEMANDS STEEL EQUIPMENT

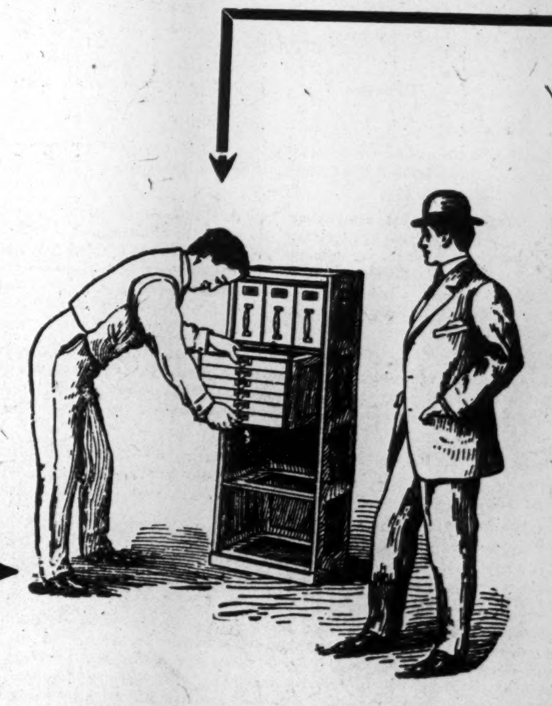
Why buy Wood Furniture?

STEEL does not stick or warp—Wood does.
STEEL saves space, therefore costs less.
STEEL will not burn—Wood will.
STEEL is modern—Wood old-fashioned.

Therefore, Buy Steel Equipment.

Cuts out the fire risk, saves space, reduces expense.

THE STEEL EQUIPMENT COMPANY, LIMITED
UNION BANK BUILDING - - - OTTAWA
Factory at Pembroke
Ask for our thirty-two page catalogue.



What is he doing?
He is showing his customer how
Macey
Inter-Inter Filing Cabinets
can be assembled to suit his exact requirements.
Have your *furniture dealer* show you one of these or write us for complete catalog.
CANADA FURNITURE MANUFACTURERS LIMITED
General Offices: - - - Woodstock, Ont.
Office Appliance Factory: - - - Seaforth, Ont.

STRONG POSITION BETTER PROFITS OF BANK OF N.S.

Earnings for the Year Were 19.2 Per Cent. on the Capital.

LIQUID STRENGTH MAINTAINED

Deposits Increased by Over $7,000,000, But Total Outstanding on Call and Current Loans Somewhat Decreased—Liquid Assets Over 44% of Total.

A further increase in the steadily growing profits and the strengthening of an already very strong liquid position, are outstanding features of the annual statement of the Bank of Nova Scotia. There was an increase of over $11,000,000 in the savings and demand deposits and this is counterbalanced by investments of high order, over $7,000,000 increase being shown in holdings of "Canadian municipal, and British, foreign and colonial public securities other than Canadian," being largely a reflection of the bank's participation in the financing of British munition orders. In THE POST'S analysis these public securities do not classify with the immediately available liquid assets, which, nevertheless, show an increase of $5,700,000 over a year ago. The percentage of immediately available assets to total assets is 44.88 per cent., compared with 44.47 per cent. in the previous report, and of total liabilities to the public 53.67 per cent., as compared with 54.47 per cent. Generally speaking, the report indicates a continuance of that conservative and successful policy which has always characterized the management.

In addition to the large increase in holdings of public securities, other important changes in the assets included increases in specie of $1,974,433, in bank balances of $1,519,067, in Government securities of $1,494,243, and in demand loans on grain and staple commodities of $663,465; there was a decrease in holdings of Dominion notes of $1,742,337.

A decrease in call loans on bonds, debentures and stock, of $1,504,465, is an indication of reduction of funds employed in stock transactions. Current Canadian loans increased by $918,148, and current loans elsewhere in Canada were lower by $396,235. Taking the four items of loans the net change was a decrease of $319,087. In all, the increase in assets amounted to $12,377,260, the total being $116,621,727. Following are comparative figures:—

Immediately Available Liquid Assets.	1916.	Change.
Specie	$ 7,187,021+	$ 1,974,433
Dom. Notes	10,339,227—	1,742,237
Note cr. dep.	360,867+	10,511
Notes bank	1,225,083+	337,272
Call loans abroad	7,791,174+	59,325
Bank bal. abroad	3,556,059+	1,519,067
Do. foreign	3,286,376+	349,821
Gov. securities	3,110,743+	1,494,243
Cheques	5,420,062+	792,177
Gold reserve	2,000,000+	250,000
*Demand loans	7,793,853+	663,465
	$ 52,070,475+	$ 5,709,077
% of total assets	44.88	
% of tl. liab. to pub.	53.67	
Other Assets.		
Pub. securities	$ 10,569,068+	$ 7,121,531
Other securities	4,767,081+	259,123
†Call loans	4,519,456—	1,504,465
Current	34,930,637+	918,148
Elsewhere	5,909,211—	396,235
Overdue debts	103,089—	45,209
Letters of credit	559,888+	424,513
Real estate	326,250+	10,250
*Loans to Govt.	163,542—	200,898
Premises	2,637,307+	93,791
Other assets	65,721—	12,367
	$ 64,551,251+	$ 6,668,182
Total assets	$116,621,727+	$12,377,260

*On grain and staple commodities.
†On bonds, debentures and stocks.

Liabilities to Public.		
Circulation	$ 7,945,061+	$ 790,666
Demand dep.	21,278,802+	3,114,744
Savings dep.	66,546,078+	7,901,968
Due banks	201,904+	62,248
Due elsewhere	776,920—	105,216
Acceptances	559,888+	424,514
	$ 97,308,673+	$12,188,923
Liabilities to Shareholders.		
Capital	$ 6,500,000	....
Reserve	12,000,000	....
Dividends	228,399—	203
Balance	548,654+	188,539
	$ 19,313,053+	$ 188,336
Total liabilities	$116,621,727+	$12,377,260

The net profits amounted to $1,262,039, as compared with $1,220,057 in the previous report and $1,196,117 in 1914. The payment of dividends and provision for the patriotic fund, pension fund and war tax on circulation took $1,063,500, thus leaving a surplus of $188,539. The total surplus now amounts to $584,653. Comparative figures follow:—

INCOME ACCOUNT.	1916	1915	1914
Bal. prev. yr.	$ 396,114	$ 201,057	$ 41,124
Net profits	1,252,039	1,220,057	1,196,117
	$1,648,153	$1,421,114	$1,237,241
Dividends	$ 910,000	$ 910,000	$ 848,750
Patriotic fd.	38,500	.....	37,433
Pension fd.	50,000	50,000	50,000
Reserve	.....	.....	100,000
War Tax on cir.	65,000	65,000	.....
Surplus	$584,653	$396,114	$201,058

The earnings record of the bank since 1904 are given in the following table. The earnings on capital for the year were 19.2 per cent. and on investments 6.6 per cent.

	Profits.	% on Capital.	Div.	*% on Invest.
1916	$1,252,038	19.2	14	6.6
1915	1,220,057	18.7	14	6.4
1914	1,196,116	19.7	14	6.7
1913	1,210,774	20.8	14	7.1
1912	970,544	23.3	14	8.3
1911	815,519	23.0	13½	...
1910	662,301	22.0	12	...
1909	604,123	20.1	12	...
1908	559,577	18.7	12	...
1907	681,709	22.7	12	...
1906	653,516	23.9	11¼	...
1905	478,507	21.6	10	...
1904	401,560	20.1	10	...

*Earned on balance forward, rest and capital—the funds of shareholders.

GENERAL INCREASES BY TRUSTS & GUARANTEE CO.

Net Profits Nearly Three Thousand Dollars Better Than in 1915.

Comparing the balance sheet of the Trusts & Guarantee Co., which will be presented at the company's annual meeting next Friday, with the balance sheet for the previous year, it is seen that increases have been scored in practically every department. Most gratifying, of course, is the gain exhibited by the guaranteed trusts and the estates and agency accounts. The former has made an advance during 1916 from $4,266,807 to $4,601,525, or approximately 8 per cent. This compares with a gain of approximately 6 per cent. during 1915 and of 5.3 per cent. during 1914. The latter has done even better, having been increased from $7,453,489 to $8,342,817, or approximately 12 per cent., which compares most favorably with a gain of 9.6 per cent. in 1915 and of 9.7 per cent. in 1914.

The company's capital account shows an enlargement from $1,805,590 to $1,840,661. This increase occures almost wholly in the items, real estate and cash. The former is up from $130,052 to $151,487, and the latter from $85,828 to $99,486. There is one noticeable change in the capital account and that is the disappearance of the item, Office Premises at Toronto, Calgary and Brantford. In connection with the erection of the company's new building in Toronto, a building company was formed which has taken over the control of the company's premises. The value of the premises now appears in the balance sheet as debentures of the building company.

The year's profits, after deducting cost of management, advertising, general expenses, taxes (including war tax), salaries, directors' and auditors' fees, amounted to $105,146. Adding this to the balance at the credit of profit and loss on January 1, 1916, and deducting dividend payments, the sum of $416,370 has been carried forward. This means an increase in the balance of $22,729. The net profits for 1915 were $102,261, so that the year's operations have shown a satisfactory result.

Outstanding items in the balance sheet, as compared with corresponding figures for 1915, may be thus displayed:—

	1915	1916
Capital Account	$1,805,590	$1,840,661
Guar. Trust Account.	4,266,807	4,601,525
Estate & Agency Acct.	7,453,489	8,342,816
Profit and Loss Bal.	393,641	416,370
Net Profits	102,261	105,146

FERRO-MANGANESE ORDER.

Canadian Steel Company Seeking Supply in U. S.

It is reported that a Canadian steel plant is in the United States market for 2,000 tons of ferro-manganese, which is selling in small lots for early shipment, at $175 a ton for domestic output. English manufacturers have no manganese to offer for shipment the next six months and are asking $164 a ton, at eastern seaboard, for shipment in the second half of this year. Prior to the war English ferro-manganese sold at $39 a ton.

The dividend of the Canada Landed and National Investment Company for the quarter ending December 31 was at the rate of nine per cent. per annum as usual and not five per cent. as stated in our last issue. The annual statement will show satisfactory improvement in the company's affairs.

GIBBONS MOTOR CAR COMPANY, LTD.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 15th day of December, 1916, incorporating Samuel Henry Gibbons, manager; John Watson Franks, gentleman; William Joseph Hodgson, accountant; Lonson Cheeseman Laishley and Ernest Ireland, salesmen, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To manufacture, buy, sell and deal in all classes of automobiles, motor wagons, motor trucks, cars operated by steam, gasoline, electric or any other power, automobile and motor parts, accessories, and everything appertaining to the manufacture and trade of the above named; (b) To carry on any other business, whether manufacturing or otherwise, capable of being conveniently carried on in connection with its business, or calculated either directly or indirectly to enhance the value of or render profitable any of the company's property or rights, and to manufacture, buy, sell, or deal in goods, wares and merchandise; (c) To acquire and own the assets, property, privileges, franchises, contracts, leases, real estate and other rights of any individual, firm or company doing a similar business, and generally the business of any person, firm or company exercising or carrying on a trade which this company is authorized to carry on; (d) To act as agent for any other person or companies in the purchase, sale, exchange or lease of all products concerning the objects for which the company is incorporated; (e) To do all acts and exercise all powers and carry on all business incidental to the carrying out of the objects for which the company is incorporated; (f) To issue paid-up shares for the payment in whole or in part of any property, real or personal, movable or immovable, rights, claims, privileges, concessions or other advantages which the company may lawfully acquire; (g) To apply for and acquire or to obtain by purchase or otherwise and on any terms, letters patent of inventions, patent rights, processes, licenses, trade-marks, copyrights, or any privileges of a like nature for or in connection with any matter, article or subject convenient for the business of the company, and to turn the same to account by manufacturing, working the same or granting licenses in respect thereof or otherwise. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Gibbons Motor Car Company, Limited," with a capital stock of one hundred thousand dollars, divided into 1,000 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 18th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

STANLEY & AYLWARD, LIMITED.

PUBLIC Notice is hereby given that under the first part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 22nd day of December, 1916, incorporating Franklin Metcalf McDowell law clerk, George Roy Sproat, accountant, Gordon Balfour Flett, student-at-law, Charles Henry Kemp and Cecil Carrick, solicitors, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To carry on the business of manufacturing, wholesale and retail jewellers and dealers in jewellers sundries, watches, gold, silver and metal wares, gold filled wares, glassware, china, enamel goods, stamped goods, military badges and jewellery; (b) To manufacture, sell, buy and generally deal in all materials used in the manufacture of any of the above described wares; (c) To carry on any business which can be profitably carried on in connection with any of the aforesaid businesses; and import and export any of the aforesaid articles or wares and to import or export any of the materials used in the manufacture thereof; (d) To act as agents or contractors in securing contracts for the manufacture and sale of any of the aforesaid wares. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Stanley & Aylward, Limited," with a capital stock of fifty thousand dollars, divided into 500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 26th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State

THE TALBOT RANCH, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 13th day of December, 1916, incorporating Henry Talbot, Arthur William Talbot, Harry Talbot, Joshua Ingham and George Sparkhall, live stock commission merchants, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To carry on the business of ranching, to purchase and otherwise acquire, breed, raise, improve, sell and deal in live stock of every kind and live stock products, to carry on by wholesale or otherwise the business of producers, purchasers, shippers of and dealers in agricultural products, including prepared products, live stock and farm supplies; (b) To purchase, lease, take in exchange, hire or otherwise acquire any real or personal property or any rights or privileges which the company may think necessary or convenient for the purpose of its business or capable of being profitably dealt with in connection with any of its property or rights for the time being; (c) To apply for, purchase or otherwise acquire, any grants, licenses, leases, concessions and the like, which may seem calculated directly or indirectly to benefit the company or otherwise, and to use, exercise, develop or grant licenses in respect of or otherwise turn to account, grants, licenses, leases, concessions and the like so required; (d) To purchase, lease or otherwise acquire and to hold, exercise and enjoy in its own name, all or any of the property, franchises, good-will, rights, powers and privileges held or enjoyed by any person or firm or any company or companies carrying on a business similar in whole or in part to that of the company and to pay for such property, franchises, good-will, rights, powers and privileges wholly or partly in shares of the company, wholly or partly paid-up and to undertake the liabilities of any such person, firm or company; (e) To enter into partnership or into any arrangement for sharing the profits, union of interest, co-operation, joint adventure, reciprocal concession or otherwise with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of or otherwise assist any person or company and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (f) To enter into any arrangement with any governments or authorities, supreme, municipal, local or otherwise, that may seem conducive to the company's objects or any of them, and to obtain from any such government or authority any rights, privileges, concessions or franchises which the company may think it desirable to obtain, and to carry out, exercise, comply with or surrender any such arrangements, rights, privileges, concessions and franchises; (g) To construct, improve, maintain, work or manage any roads, ways, buildings and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying out or conduct thereof; (h) To sell, improve, manage, develop, exchange, lease, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (i) To sell, let or hire or otherwise deal with or dispose of the undertaking and assets of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures, debenture stock or other securities of any other company; (j) To remunerate any person or corporation for services or assistance rendered to the company or in or about the incorporation or organization of the company in such a manner as the company may deem expedient, and more particularly with the approval of the shareholders, by the issue and allotment of shares, bonds or other securities of the company, wholly or partly paid up; (k) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, warrants and other negotiable or transferable instruments (l) To adopt such means of making known the products of the company as may seem expedient, and in particular by advertising in the press, by circulars, by purchase and exhibition of works of art or interest, by publication of books and periodicals and by granting prizes, rewards and donations; (m) To pay out of the funds of the company all expenses of or incidental to the formation, registration and advertising of the company or in or about the promotion of this company or the conduct of its business; (n) To carry on any other business capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (o) To do all other things incidental or conducive to the attainment of any one or more of the above objects. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "The Talbot Ranch, Limited," with a capital stock of sixty thousand dollars, divided into 600 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 16th day of December, 1916.

THOMAS MULVEY,
Under-Secretary of State.

TO INVESTORS

THOSE WHO, FROM TIME TO TIME, HAVE FUNDS REQUIRING INVESTMENT MAY PURCHASE AT PAR

DOMINION OF CANADA DEBENTURE STOCK

IN SUMS OF $500, OR ANY MULTIPLE THEREOF

Principal repayable 1st October, 1919.

Interest payable half-yearly, 1st April and 1st October by cheque (free of exchange at any chartered Bank in Canada) at the rate of five per cent per annum from the date of purchase.

Holders of this stock will have the privilege of surrendering at par and accrued interest, as the equivalent of cash, in payment of any allotment made under any future war loan issue in Canada other than an issue of Treasury Bills or other like short date security.

Proceeds of this stock are for war purposes only.

A commission of one-quarter of one per cent will be allowed to recognized bond and stock brokers on allotments made in respect of applications for this stock which bear their stamp.

For application forms apply to the Deputy Minister of Finance, Ottawa.

DEPARTMENT OF FINANCE, OTTAWA
OCTOBER 7th, 1916.

GALE MANUFACTURING CO., LIMITED.

PUBLIC Notice is hereby given that under the First Part of Chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 2nd day of January, 1917, incorporating Ferguson James Dunbar and Alexander George Frederick Lawrence, solicitors, Alfred John Sneath, student-at-law, Bertha Taylor, and Norma Lown, stenographers, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz.:—(a) To manufacture, buy, sell and deal in clothing and wearing apparel of all kinds and descriptions for men, women and children; (b) To acquire and take over as a going concern the undertaking and all or any of the assets and liabilities of Gale Manufacturing Co. Limited, incorporated by letters patent under the Ontario Companies Act or all or any part of the shares or capital stock of the said company; (c) To acquire the good-will, rights and property and to undertake the whole or any part of the asset, and liabilities of any person, firm, association or corporation, and to pay for the same in cash, stock or bonds of this corporation or otherwise; (d) To carry on any other business (whether manufacturing or otherwise) which may seem to the company capable of being conveniently carried on in connection with its business or calculated, directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (e) To apply for, purchase or otherwise acquire, any patents, brevets d'invention, license, concessions and the like, conferring any exclusive or non-exclusive, or limited right to use, or any secret or other information as to any invention or process which may seem capable of being used for any of the purposes of the company, or the acquisition of which may seem calculated directly or indirectly to benefit the company, and to use, exercise, develop or grant licenses in respect of, or otherwise to turn to account the property, rights or information so acquired; (f) To enter into partnership or into any arrangement for sharing of profits, union of interests, co-operation, joint adventure, reciprocal concession or otherwise, with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in, or any business or transaction capable of being conducted so as directly or indirectly to benefit the company; and to lend money to, guarantee the contracts of, or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and to sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (g) To purchase, take on lease or in exchange, hire or otherwise acquire, any personal property and any rights or privileges which the company may think necessary or convenient for the purposes of its business and in particular any machinery, plant, stock-in-trade; (h) To lend money to customers and others having dealings with the company and to guarantee the performance of contracts by any such persons, firms, companies or corporations; (i) To draw, make, accept, endorse, execute and issue promissory notes, bills of exchange, bills of lading, warrants, and other negotiable or transferable instruments; (j) To sell or dispose of the undertaking of the company or any part thereof, or any of the assets, for such consideration as the company may think fit, and in particular for shares, debentures or securities of any other company having objects altogether or in part similar to those of the company; (k) To purchase or otherwise acquire, hold, sell, or otherwise dispose of shares of the capital stock or bonds, debentures or other securities of any other corporation; (l) To invest and deal with the moneys of the company not immediately required in such manner as may from time to time be determined; (m) To consolidate or amalgamate with any other company having objects altogether or in part similar to those of the company; (n) To construct, alter, maintain, manage and otherwise deal with any buildings or works necessary or convenient for the purposes of the company; (o) To do any and all acts and things tending to increase the value of any of the property at any time held or controlled by this company; (p) To distribute in specie or otherwise, as may be determined, any of the property of the company among its shareholders, and particularly the shares, bonds, debentures or other securities of any other company that may acquire the whole or any part of the assets or liabilities of the company; (q) To sell, improve, manage, develop, exchange, lease, enfranchise, dispose of, turn to account or otherwise deal with all or any part of the property and rights of the company; (r) To do all and everything necessary for, incidental or conducive to the attainment of any one or more of the above objects or which shall at any time be necessary for or incidental to the protection or benefit of the company; (s) The objects specified in each paragraph hereof shall, except where otherwise expressed in such paragraph, be in no wise limited or restricted by reference to or inference from the terms of any other paragraph or the name of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Gale Manufacturing Company, Limited," with a capital stock of one hundred and thirty thousand dollars, divided into 1,300 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario.

Dated at the office of the Secretary of State of Canada, this 3rd day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

STEVENS-AYLSWORTH COMPANY, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 5th day of January, 1917, incorporating William Gilchrist, law clerk, Richard Dalton Moore Walter, student-at-law, James Stewart, accountant, Gertrude Elizabeth Hancock, bookkeeper, and Hamilton James Stuart, barrister-at-law, all of the city of Toronto, in the Province of Ontario, for the following purposes, viz:—(a) To manufacture, construct, convert, repair, rent, let, for hire, import, export, operate, buy, sell, acquire, dispose of and otherwise traffic, deal and trade in and with mechanical, electrical, chemical or other appliances, apparatus, equipment, supplies, machinery, instruments and tools of all kinds used in construction, manufacturing, academic or other kinds of work and particularly but not so as to limit the generality of the foregoing steel and iron, construction materials, pipe and fittings, castings and heavy hardware of all kinds and all raw materials and other things used in and for the manufacture or construction of the foregoing and accessories therefor and all articles which enter into the manufacture or construction of all the foregoing and all products and by-products thereof and generally to carry on the business of a dealer in goods, wares and merchandise; to act as and to carry on the business of mechanical, electrical, chemical, designing and consulting engineers, and to carry on the business of general contractors for construction, alteration, improving and removal of factories, buildings, structures, plants, equipment and works of all kinds and to enter into contracts for, construct, execute, own and carry on all descriptions of work, and to carry on for the purposes aforesaid the business of a general construction company and contractor for the construction of public and private works; (b) To purchase or otherwise acquire and undertake and assume all or any part of the assets, capital business, property, privileges, contracts, rights, obligations, and liabilities of any person, firm or company carrying on any business which this company is authorized to carry on or any business similar thereto, or possessed of property suitable for the purposes of this company's business, and to issue in payment or part payment for any such property, rights or privileges acquired by the company or for any guarantee of the company's bonds, or with the approval of the shareholders for services rendered, shares of the copany's capital stock, whether subscribed for or not as fully paid-up and non-assessable, or the company's bonds; (c) To apply for, obtain, register, purchase, lease, take over or otherwise acquire and to hold, use, own, operate and maintain and to sell, assign or otherwise dispose of any trade-marks, trade-names, brevets d'invention, concessions, licenses, patents or applications for patents, improvements, methods, formulae, secrets or other information, processes, industrial designs or copyrights secured under the law of the Dominion of Canada or elsewhere, and subject to royalty or otherwise; and to acquire, use, exercise, develop, sell or grant licenses and leases in respect thereof, or otherwise turn to account such property as aforesaid; (d) To enter into partnership or into any arrangements for sharing profits, union of interests, co-operation with any person or persons, or company or companies carrying on or about to carry on any business or transaction which may be of profit to this company; (e) To take or otherwise acquire, hold, own, buy, sell or otherwise dispose of shares in the capital stock of, and the bonds, evidences or indebtedness, obligations, or other securities of any company having objects altogether or in part similar to those of this company, or carrying on any business capable of being conducted so as directly or indirectly to benefit this company or possessed of property, rights or franchises capable of being used so as directly or indirectly to benefit this company or enhance the value of its undertaking, notwithstanding the provisions of section 44 of The Companies Act, and to guarantee the payment of dividends on any such stock, and the payment of the principal and interest of any such bonds, obligations or other securities and to aid in any manner any such company; (f) To apply for, obtain, purchase or acquire by assignment, transfer or otherwise, and to exercise, carry out and enjoy any statute, ordinance, order, license, power, authority, franchise, concession, right or privilege which any government or authorities supreme, municipal, or local, or any corporation or other public body may be empowered to enact, make, or grant and to pay for, aid in and contribute towards carrying the same into effect and to appropriate any of the company's stock, bonds and assets to defray the necessary costs, charges and expenses thereof; (g) To promote any company or companies for the purpose of acquiring or taking over all or any of the property and liabilities of the company, or for any other purpose which may seem directly or indirectly calculated to benefit the company; (h) To acquire by purchase, lease, hire or otherwise all property, real or personal, that may be deemed necessary for the proper carrying on of the company's business and to hold, own and operate the same, and to sell, lease, dispose of or otherwise turn the same to account, and to erect such buildings, factories and works as may be deemed advantageous for the purpose of the company; (i) To construct, improve, maintain, work, manage, carry out or control any roads, ways, branches or sidings, bridges, reservoirs, water-courses, wharves, manufactories, warehouses, electric works, shops, stores and other works and conveniences which may seem calculated directly or indirectly to advance the company's interests, and to contribute to, subsidize or otherwise assist or take part in the construction, improvement, maintenance, working, management, carrying on or control thereof; (j) To raise and assist in raising money for and to aid by way of bonus, promise, endorsement, guarantee or otherwise any corporation in the capital stock of which the company holds shares, or with which it may have business relations, and to act as employee, agent or manager of any such corporation, and to guarantee the performance of contracts by any such corporation or by any person or persons with which the company may have business relations; (k) To distribute in specie or otherwise as may be determined, any assets of the company among its members and particularly the shares, bonds and other securities of any other company owned by this company; (l) To procure the company to be registered and recognized in any foreign country and to designate persons therein according to the laws of such foreign country, to represent this company and to accept service for and on behalf of this company of any process or suit; (m) To amalgamate with any other company having objects similar in whole or in part to those of this company; (n) To draw, make, endorse, accept, execute and issue promissory notes, bills of exchange and other negotiable and transferable instruments; (o) To do all or any of the above things as principals, agents, contractors or otherwise and by or through trustees, agents or otherwise, either alone or in conjunction with others; (p) To pay out of the funds of the company all costs, charges and expenses preliminary and incidental to the formation, incorporation and organization of the company; (q) To do all such other things as are incidental or conducive to the attainment of the above objects and to carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with its business or objects, or calculated directly or indirectly to enhance or render profitable any of the company's property or rights; (r) Any powers granted in any paragraph hereof shall not be limited or restricted by reference to or inference from the terms of any other paragraph. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Stevens-Aylsworth Company, Limited," with a capital stock of ten thousand dollars, divided into 100 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 10th day of January, 1917.

THOMAS MULVEY,
Under-Secretary of State.

THE FINANCIAL POST
OF CANADA

A weekly newspaper, presenting in a popular manner reliable information respecting investments and financial affairs in Canada.

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Manager, - - - - - - R. G. DINGMAN

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THE BORROWER'S RIGHT TO SPEND.

IN LAYING plans to extend foreign trade after the war manufacturers of Great Britain have made one suggestion which will not meet with approval in the dominions. It is that when loans are made to the members of the Empire family there be a restriction that the funds, or a certain portion of them, be expended for British goods. Such a course may be the idea of the British manufacturer for cementing the relations between the dominions and the Mother Country but the borrower will have an entirely different opinion. When capital is secured from Great Britain or any other country the conditions of the future promise to be the same as in the past. Capital will go where is offered the maximum of security in relation to return. British sentiment for Canada is no more a factor in sending capital to this country than is the hope that Canadian sentiment for Britain would see its safe return—plus dividends. Inter-Empire relations have in the past been encouraged by favorable tariff arrangements and the same will undoubtedly be true—probably to a much greater extent—in the future. This is as it should be if artificial means are to be taken to strengthen trade within the Empire. Discriminating against the borrower in London as to how he shall spend the money for which he is paying in interest is an entirely different matter. It is contrary to recognized business principles and would be almost certain to result in higher prices being charged where competition had been eliminted. If the consumption of British goods in the colonies is to be encouraged let it be by tariff regulation applicable to the whole community rather than by discrimination against the borrower. Inter-Empire trade will never be established on a healthy basis if surrounded by restrictions of the character proposed.

GOVERNMENT FARM LOANS.

SASKATCHEWAN is preparing to enter the financial field in a new capacity. A government Farm Mortgage Board is to provide loans for farmers. The loans are to be backed by a bond issue. From the political standpoint at least the launching of the scheme is sure to be a success. The prospect of cheap money has a magic influence; the individual usually believes that he is being bled by the average bank or loaning company. But mere popularity will not insure ultimate success. That will depend upon the system of administration and the efficiency with which it is carried out. There are two points worth considering. The loans are to be for "legitimate agricultural purposes"; the rate of interest is to cover capital cost and expenses.

In the first place there is no evidence that banks and loaning companies are not willing to provide loans for legitimate agricultural purposes. If the government takes on business which these institutions in their experience do not care to undertake it will be with attendant risk. There are many men whose conscience becomes somewhat elastic when it comes to borrowing from the government or repaying a government loan. In addition there is the ever attendant danger that concessions and favors will be extended in the encouragement of political support. Evidence of this can be found without seeking further than the Seed Grain legislation of the Dominion government in 1915, the evil effects of which are still being experienced throughout the Western provinces.

Then the people are told that the interest will cover the first interest charges on the capital and expenses. This appeals because the inference is that the borrower is to be saved the profits of the bank or the loaning company. It remains to be seen what the expenses will be. It will be necessary to establish machinery for the administration of the loans and for the collection of interest and principal. There is danger that this machinery will be both inefficient and expensive if the usual political influences are not held in check; danger that collections will not be rigidly enforced if there is prospect of losing political friendship and danger too that if loans are granted under influence or without strict regard for the security, collections may be very difficult. Thus expenses may not only be abnormally high and directly reflect upon the rate of interest charged on the loan, but there is the danger that losses may be sustained and that the "expenses" may rise to a level which will more than counterbalance the moderate profits made by the present capably managed loaning institutions.

The development of agricultural resources is the great factor in Canada's future. To accomplish this development capital is a necessity. The cheaper its cost to the farmer the greater the attendant advantages. But we are not convinced that conditions are yet ripe for government administration of loans, particularly if steps are not taken to eradicate the usual influences of politics.

AN OLD TIME PAPER MONOPOLIST.

NEWSPAPER publishers in North America are making a desperate fight against the advance of 60 to 100 per cent. in the price of paper. Newsprint which has been selling about 2c. per lb. is now held by Canadian mills about 3c.

Glotz in his *Journal des Savants* tells us that Ptolemy, the King of Egypt was, by far the greatest merchant and manufacturer in the whole world. Even in far distant Delos, a place near Athens, the price of paper and other articles were fixed by this Royal Monopolist. That his interference "regulated the market" to his own advantage may be inferred from the fact that the sheet of paper which was sold in 296 B.C., for one obol equal to 3½c cost on the average, under this monopolist during 279 to 250 B.C., eleven obols or 38½ cents.

THE FUTURE OF STEEL.

GREAT BRITAIN and America are, in the opinion of the Sheffield correspondent of *The Economist*, to be the great competitors for the world's post-war export steel trade. Germany is expected to fall from the position of leadership over England, which she had attained prior to the war, because her trade had been on the false basis of subsidies and bounties which she is not expected to be able to afford after the conflict. We have some doubts, judging from the past accomplishments of German industry, as to the soundness of this theory. However let us look to the situation between Britain and America.

Since the outbreak of war both countries have vastly increased their output. Britian, fighting for her national existence, has awakened industrially, mechanical facilities have been increased and new methods introduced while the efficiency of her man-power has been marvellously developed. America under the incentive of huge profits has done much the same thing. Both have increased wages with the same end in view. But there has been a difference which promises to make itself felt in the future. British labor has been close to the war, has learned the meaning of self-sacrifice and of frugal living. American labor has learned only extravagance and selfishness. In England the post-war wages may be comparatively high as compared with former times but an adjustment to a proper economical level in relation to supply and competitive industrial output will be much more easily effected than on this side of the Atlantic.

As for Canada the outlook is for keen competition for export business when world needs return to normal—although this may not be until long after the end of the war which has put ordinary buying in the background for so long. Even with favorable tariff arrangements within the Empire and with the Allies we would have to compete with Great Britain while in the open market there would be the United States in addition—and not improbably Germany.

TORONTO ELECTRIC AND ITS POLES

CAN it be possible that the Mayor of the City of Toronto, the board of control and the city council would endeavor to ruin the Toronto Electric Light Company by deliberately cutting down thousands upon thousands of poles and lines of wire and causing their utter destruction? The Toronto Electric Light Company erected all of these poles and wires with the approval and consent of the City of Toronto, and it must not be forgotten that the city and company have been doing business together for twenty odd years under the franchises which the company held, and there was always peace between them until the Hydro-Electric Commission entered into competition and erected its poles and wires on the streets side by side with those of the private company. The city council, who are competing with and destroying the old company holding their franchises, should extend more reasonable treatment now towards it. Although it has been held by the Privy Council in England that the company has no legal right to maintain these poles on the streets, it is clearly pointed out by the Lords Justices that their decision is one upon the law of the case only and that they have nothing to do with the moral aspect of the situation; this is judicial language which may be taken to mean that a corporation entrusted with the governance of half a million of people would not commit so immoral an act as seems at present to be in contemplation.

There is another aspect of the case—to cut down the poles would be to interfere with the power supply of numbers of large munition plants the closing of which would result in turning thousands of working men out into the street idle, at the very time when they are putting away their savings preparing for the labor adjustments to follow the war. Shops and private houses would probably be in darkness for the rest of the winter, because there is no assurance in the meantime of a supply of power and light necessary for these purposes.

Only a little while ago Sir Adam Beck was at Ottawa imploring the Dominion Government to assist in finding more power for him to run munition plants under his system and the situation was considered serious. Where will he find the necessary power for all the munitions plants, factories, manufacturing concerns and dwelling houses whose demand for power and light will be thrown upon him by the failure of the private company?

If the whole matter were referred to the common sense and honesty of the individual voters in the city, they would undoubtedly decide for fair play to the company, they would act just the same as the Lords Justices of the Privy Council would act, so would any jury.

The trouble is that the company has got itself disliked by the people owing to the Hydro-Electric commission and it seems to be considered good politics to praise the commission and to damn the company on every occasion.

The actual position seems to be that, notwithstanding the decision of law, the people cannot enforce it without acting immorally against the shareholders of the company, who are people like themselves.

The people have a right to the Hydro-Electric commission if they want it and to fight the corporations if they must, but surely the fight should be fair. The proposed methods are Prussian, not British.

SIR Herbert Holt's pronounced views on greater efficiency of administration and his ability in that direction himself are so well known and have been so prominently emphasized lately that there is reported to be a well defined trend evident amongst Montreal financiers for some action that will utilize his services in the government.

RELATIONS OF CAPITAL AND LABOR

John D. Rockefeller, Jr., Believes That Industrial Captains Must Study New Problems.

Consideration of the existing industrial conditions cannot but bring the realization that the end of the war will bring a more or less violent readjustment. In no respect is that readjustment likely to be felt to a greater extent than by labor, the wartime scarcity of which has led to wages which seem to have little chance of being maintained when the armies are released and soldiers again become wage earners. In view of this condition of affairs, it is interesting to note that John D. Rockefeller, Jr., who has been studying the relations of capital and labor, thinks that the chief executives of large industrial corporations who have been selected largely because of their ability as organizers or financiers, will in the future have to show their qualifications for such positions by their ability to deal successfully and amicably with labor. Further, Mr. Rockefeller believes that the personal relation in industry will eventually be regarded as an important part of those college courses which aim to fit men for business life. He says:—

> "Labor and capital are naturally partners, not enemies, and the personal relation in industry, entered into in the right spirit, gives the greatest promise of bridging the yawning chasm which has opened up between employer and employe. Too often capital regards labor merely as a commodity to be bought and sold, while labor not infrequently regards capital as money personified in the soulless corporation. But labor and capital are men—men with muscle and men with money. Both are human beings and the industrial problem is a great human problem.
>
> As the officers of our great corporations come to see more and more that the problem of understanding their employes and being understood by them is a vital problem, one of the most important with which the management is confronted, they will be convinced not only of the wisdom of devoting far more time to such contact but of the desirability and the advantage to themselves, and to the employes as well as to the company, of such closer relation and intimate conference in regard to matters of common interest and concern."

RESERVE BOARD TO CONTROL GOLD

Amendments Being Asked to Check Export of Yellow Metal After the War.

The attitude of the United States Federal Reserve Board, that the increasing supplies of gold in the country constituted no menace to the country's economic position, is being maintained. Evidently the members do not subscribe to the theory that an oversupply of the yellow metal will lead to internal investments which will have a tendency to inflate values. The course taken recently in discouraging the issue of short term British Treasury bills has been followed by a recommendation to Congress that, in order to place an effective check upon the exportation of American gold when changed conditions result from peace in Europe, the Reserve banks be permitted to issue their notes in lieu of cash gold in addition to issuing such notes on commercial paper. It is proposed that the bulk of the reserves of the member banks be carried in the Federal Reserve banks and that the reserves in the bank's own vaults be reduced to 5 per cent. throughout the system and that they consist of any kind of currency. Under the new reserve arrangements, after the final adjustment of reserves this year they will be distributed as follows:—

> The vault cash reserve will be 5 per cent. for all member banks. This compares with the 4 per cent. minimum required for country banks under the present regulations, 5 per cent. for reserve city banks and 6 per cent. for central reserve city banks. Inasmuch as it is not proposed to change the total reserve requirements, this means that 7 per cent. in the case of country banks, 10 per cent. in the case of reserve city banks and 13 per cent. in the case of central reserve city banks will be deposits in the Federal Reserve banks. The member banks may hold still less than these percentages in their own vaults, if the difference is transferred to the Federal reserve banks. As the Board points out these additional reserve requirements of the member banks with the Federal reserve banks will call for the payment of about $250,000,000, mostly in gold. The member banks now hold $540,000,000 gold out of $815,000,000 cash.

It will be seen that the amendments are of a far-reaching character in their possible effect upon the banking and currency system in the United States. They will give to the Federal Reserve Board much greater arbitrary powers than now embraced within the statute. The control of the gold supply, which will thus pass into its hands, will greatly increase the scope of its operations and influence in time of emergency. In the connections referred to it is not likely that the banks generally will record any serious objection, because it is largely a question of their confidence in the board to deal with unusual developments. On the other hand, there is criticism which promises to result in marked disapproval of the proposal that the Reserve Board be given authority to raise reserve requirements of member banks in case of emergency. Such authority would give the board power which at times might have serious effect upon the credit situation. Smaller banks throughout the country might find it embarrassing to curtail operations on short notice from Washington after having arranged lines of credit within the prescribed standards of reserve.

PERSONAL

W. E. PHIN, a prominent business man of Hamilton, is a new member of the Bank of Hamilton's directorate.

OTTO H. KAHN, of Kuhn, Loeb & Co., of New York, who has been a resident of New York for 23 years, filed application at Morristown, N.J., his legal residence, to become a citizen of the United States.

A. H. HARRIS, special representative of the Canadian Pacific Railway, is understood to be slated for high honors at the hands of the King as a result of his work in connection with the movement of munitions in Canada.

I. PITBLADO, K.C., one of the new directors of the Bank of Hamilton, is a leading member of the Winnipeg bar, having been engaged in many of the most notable cases that have been tried in the West. He is identified with various financial and industrial corporations.

W. F. MACLEAN, M.P. for South York, advocated a national bank of rediscount in an address before the Calgary Canadian Club last Monday. Mr. Maclean also favored national currency, small local banks for the rural communities and Dominion land loans to farmers at a low rate of interest.

H. T. ROSS, K.C., who has resigned his position as deputy minister of finance, to become secretary of the Canadian Bankers' Association, formerly practised law in Nova Scotia, of which province he is a native. He has made a big reputation in the world of finance, and is considered one of the foremost authorities in the country on banking law.

ALEXANDER BARNET, whose death occurred recently at Renfrew, was a director of the Merchants Bank, and had extensive business interests, particularly in the lumber industry. He was one of the best known citizens of the Ottawa valley and his lumber and timber interests were largely responsible for the accumulation of large wealth.

BEAUDRY LEMAN, general manager of the Banque d'Hochelaga, the annual meeting of which was held last Monday, is only 39 years of age, and is Canada's youngest general bank manager. Under Mr. Leman's administration the Banque d'Hochelaga, has made great strides. The statement presented at the annual meeting is considered in financial circles to be highly satisfactory.

JAMES A. RENNIE, who was recently appointed manager of the Westminster Trust Company, of New Westminster, B.C., in succession to J. J. Jones, has tendered his resignation. P. O. Pratt, the president, states that for the present the duties of manager will be looked after by a committee of the directors and a new manager will not be appointed until business conditions have improved.

C. W. CASSILS, of McDougall & Cowans, Montreal, was elected a member of the Montreal Stock Exchange during the week, paying $22,000 for the seat, which formerly belonged to Captain A. T. Shaughnessy, the son of Lord Shaughnessy, who lost his life in France. This is the first sale of a seat on the Montreal Exchange which has occurred for some time. The price compares with a high of $30,000 from 1911 to 1913 and the low of $13,000 in March, 1915.

GEORGE B. WELLS, the new chairman of the Niagara Frontier Rate Committee, comprising representatives of all the principal railroads and steamship lines in Eastern Canada, is another product of the highly organized system of the Canadian Pacific Railway, who has moved out to take a responsible position of a national character. The Canadian Pacific has not only proven a training school for the majority of high officials within the organization but has sent a number of its products to other fields of activity.

H. B. SHAW, the new general manager of the Union Bank of Canada takes up the reins of administration of an institution which was the pioneer in the movement westward of control of big financial institutions. He has been connected with the bank for a long period and although he has had wide experience in the East his appointment is of particular interest to the West because he is a western banker. His experience has extended from branch manager in a farming community to western superintendent and assistant general manager and has been particularly well suited in fitting him for the management of an institution so closely identified with 9the West.

JOHN HAYS HAMMOND is to be president of the Rocky Mountain Club for his eleventh year. At the annual dinner in New York estimates of the wealth represented were in ten figures. Some of the richest and best known men in the country dined and it was most noticeable that the richer the man, the more democratic was he toward his fellow club members. Among the 300 present were General Goethals, of Panama canal fame; George W. Perkins, whose activity in political and sociological work are well known; Simon Guggenheim, chairman of the American Smelting board and former United States Senator from Colorado, and James A. Gayley, formerly of the United States Steel Corporation, but now of the Midvale Steel organization. It was stated by Mr. Hammond that plans for a $1,000,000 club house had been formulated.

T. S. ROGERS, K.C., of Halifax, has recently found his services in demand for the directorates of a large number of eastern companies. The latest board he has joined is that of the Eastern Trust Company. He is a director of the Acadia Sugar Refining Company and Brandram-Henderson, Limited. Mr. Rogers is a prominent lawyer, who joined the firm of which R. E. Harris was a member before his appointment to the Supreme Court bench. Judge Harris was president of the Nova Scotia Steel & Coal Company, and on a great many other boards and it looks as if Mr. Rogers' business associates were recognizing his ability and good judgment in something the same way as was the case with the judge before he retired to the judicial sphere of public usefulness where he has already made a mark by his knowledge of commercial law and his sound legal sense in whatever direction it is required.

E. P. MATHEWSON, of Montreal, who was recently awarded the gold medal of the Metallurgical Society of America for having performed the most valuable services of the year in the development of American mineral resources, is the new general manager in Canada of the British America Nickel Corporation, with headquarters in Toronto. The action of the society gives Mr. Mathewson official place as one of the world's greatest metallurgists, as the medal ranks amongst scientific men as the most outstanding distinction that may be attained for services along metallurgical lines. As such, Canadians everywhere take great pride in the new honor to Canada. Mr. Mathewson's greatest work was in connection with the Anaconda copper properties in Montana where since 1902 he has established new records in copper smelting. He is a son of the late James Adams Mathewson, of Montreal, and is related to the well-known McGill Street firm of that name here. Educated at McGill University, he graduated in the Faculty of Applied Science nearly a generation ago. He spent a short time surveying the Great Lakes under Eugene Coste and H. E. Vautelet, and he then went to the Western States and engaged in mining engineering. There he engaged in lead smelting, and subsequently went to Mexico, where he was engaged at some of the largest mining plants, especially dealing with copper ore. He later went to Antafogasta, Chile, where he was concerned in mining enterprises until the fall of 1901, when he went to Anaconda.

CURRENT OPINIONS

WAR AND PEACE.

The Nation's Business.

Peace will not have the suddenness of war. To be sure, peace may come upon a business world which is altogether different from the world of 1914, but for the effects of peace upon international business affairs which are intimately bound up with the conduct of war much preparation has been made, much is going forward, and a great deal more will be possible before armed forces leave their trenches.

Besides, industrial conditions which follow peace will not be so unlike those that accompany war as when the order of events was reversed. Great populations will still have to be fed and clothed while their workmen are returning to their ordinary pursuits; the tasks of international finance will for months, if not years, remain gigantic; problems of transportation by sea may even multiply for a space. The advent of peace can give no such shock to industry, finance and commerce as the mid-summer outbreak of 1914, when all the devices for world-wide, instantaneous communication and the facilities for speedy transport by land and sea combined to create a cataclysmic suddenness in events that exceeded human imagination.

THE RIGHT TO STRIKE.

New York *Journal of Commerce*

At the hearing before the Senate Interstate Commerce Committee on the bill providing for the investigation of disputes between railway companies and their employes and prohibiting strikes or lockouts before such investigation is completed, the Secretary of the American Federation of Labor declared that organized labor would oppose any measure that "carried compulsion of any character," and the head of the Seaman's Union said that his organization was opposed to the plan to prohibit strikes during Government investigation of industrial disputes. Similar declarations have been made by the railway brotherhood leaders. Chairman Newlands of the committee suggested that there was nothing in the bill to prevent any individual from giving up his employment, and it is said that the supporters of the measure generally take the ground that there is nothing in it that interferes with "the right to strike."

That depends upon what is meant by the right to strike. Any man has the right to leave the employment he is in, and no doubt all the employes of any individual concern or corporation, or any number of them, have the right to desert at once, where nothing but their individual interest and that of the employers are at stake. The case is different where the interests of the public and its service to the business of the country are involved. The men who organize and direct railroad companies have a right to withdraw and give up the business if they are not satisfied with the terms on which they can conduct it, but they cannot force their own terms by refusing to perform the service for which the companies are organized. Any man or body of men have the right to refuse to do business, but they have not a right to form a conspiracy to stop the business or occupation of others in order to force some claim of their own.

The Government regulates the action of organizations engaged in the public service of transportation for the business of the country. It regulates the charges that they make for the service they perform, requiring them to be just and reasonable and prescribing a limit for them. It has just as much authority to regulate their expenses for labor or to determine whether they are just and reasonable. It can prevent managers of corporations from interrupting the service while disputes as to these matters are inquired into and settled. Why should it not prevent the service from being interrupted by a conspiracy of employes while their disputes over conditions of labor are inquired into and decided? It has the power in one case as in the other. There is no mor reason in one case than in the other wh it should not exercise it. That is wha

INVESTORS' INQUIRIES

Information under this head is given in answer to direct requests from investors who are readers of The Financial Post. Many questions respecting securities are answered by mail direct. We would remind correspondents that it is now necessary to enclose three cents in postage stamps to cover postage on answers direct.

Neilson Common.

A.D.G. Toronto.—Would you oblige by giving me some particulars of the William Neilson Company, upon which you report a 4 per cent. stock bonus. What is the outlook for the future?

The outstanding common stock of Wm. Neilson, Ltd., upon which a 4 per cent. bonus has been declared, as reported last week, amounts to $500,000. The declaration, therefore, requires the distribution of $40,000. For the year ending December 31, 1915, the last for which definite information is available, the profits, after deducting cost of management and reserve for bad and doubtful debts, as well as interest on bond and bank advances, amounted to $152,072. The surplus left after paying for preferred dividend and providing a contingent reserve, amounted to $62,637. While no particulars of the results of 1916 are available, it is understood that business conditions are very prosperous and that the record for 1915 was considerably improved upon. It is expected that the profits after deducting cost of management and making reserve for bad and doubtful debts, as well as deducting interest on bonds and bank advances, will amount to about $200,000. On this basis, it would appear that the surplus for the year 1916 will be more than $100,000 in comparison with the $40,000 which the dividend on the common requires.

The company was incorporated in 1912, being the development of the business founded by William Neilson in 1893, and organized as a joint stock company in 1912. Sales have developed from $240,274 in 1910 to $711,252 in 1915. The company has bonds outstanding amounting to $300,000 (of which $22,600 are held in the sinking fund) and 7 per cent. preferred stock amounting to $250,200.

As regards the future, while the company is in a strong position and has large reserves in proportion to the common stock outstanding, there is a certain amount of speculation as to what changes may take place in general conditions. The company's products may be regarded as being largely in the luxury class, although the consumption of ice cream has of recent years been such as to give it rank with staple foods. In this connection it may be noted that the directors have taken a conservative course in making the recent declaration in the shape of a bonus rather than a set dividend.

Anglo-French Bonds.

A.K., Owen Sound.—Will you be kind enough to give me your opinion about investing in the Anglo-French 5 per cent. External Loan. Would you advise it for a woman who has to consider security first in her investments?

We have no hesitation whatever in assuring you of the security of an investment in Anglo-French bonds. If these bonds are not secure, then British and French credit is in doubt, which is unthinkable in view of the wonderful strength shown by allied finance ever since the war started. In investing in Anglo-French bonds, you obtain not only first-rate security, but also a remarkably high return on your money—at present levels something between 6¾ per cent. and 7 per cent.—and, we believe, it will only take the favorable developments in the war arena, which are to be anticipated this year, to send the price of the bonds up several points. Anglo-French bonds are generally regarded as one of the best investment opportunities on the market at the present time and large amounts of Canadian capital are being placed in them.

A point in their favor, to which we would direct your attention, in addition to the security of the issue and the high yield, is their liquidity. They can always be realized upon, which is sometimes a desirable feature in an investment. We also expect that before their maturity in 1920 they will be selling up to par. At any event, you would only have to wait until October 15, 1920, to get par for your holdings, which means a very nice profit. At that time, if conditions are such as to make it desirable to continue your investment, you will have the privilege of converting your bonds into a long term issue, at 4½ per cent. interest. Or, if it is found preferable to cash in and put your money into some other security, you will have that privilege. Whatever happens, therefore, you stand to obtain very favorable results.

The only unfavorable development possible is that the Government of Canada, in order to keep Canadian money at home for domestic needs, may find it necessary to impose a tax on all external loans, or even to force the sale of foreign securities. These developments are hardly likely unless the war were to last very much longer than is expected. Even if they are resorted to, a holder of Anglo-French bonds is not likely to lose much. The yield is so high that a tax would not cause much of a reduction on the return, while, if forced to sell, investors would find a ready market in the United States.

The A.O.U.W.

M.C.B., Odessa.—Would you advise if the recent adjustment in insurance in connection with the Ancient Order of United Workmen guarantees against any further increase in rates or decrease in insurance?

The insurance business of the A.O.U.W., as readjusted is now on the standard actuarial basis, on which all the old line insurance companies are carrying on business. This provides for the proper actuarial reserves, which guarantee the payment of the full value of all claims, except, of course, in the extreme cases of plague, war, etc., when the wholesale destruction of life would necessarily upset all calculations. It is safe to say, however, that there will be no further increase in rates or decrease in insurance in the A.O.U.W., because the society is now actuarially sound.

Macdonald.

R.E.U., Brandon.—What do you think of the A. Macdonald Company common stock at $15 a share? Do you know if the company is making good earnings and do you think that is good for a hold?

Your question raises at once the speculative point as to the value of the stock of the company. A question of this kind is always more or less difficult to answer. However, generally speaking, we believe that despite the recent improvements in the company's affairs, the price you mention is high. At this figure it might be good for a hold, but it would certainly would not be advisable to pay anything higher and, in fact, the opinion has been expressed to us that $10 would be nearer the present actual value. Sales on the Toronto Stock Exchange this year have registered advances from $12 to $13.50. There is more than a probability that there will be a material reduction in the common stock outstanding, but this adjustment should not very seriously affect values should it take place. The concern has a fairly satisfactory outlook. The business is being conducted by capable men with good backing and the company should ultimately make good. Western Canada is now recovering from a period of over-development and, with the big crop of 1915 and the high prices prevailing for all agricultural products, business has been brought to a healthy basis.

On the other hand, of course, the company has naturally had its own difficulties owing to rising markets for supplies and difficulties in procuring them. However, so long as the country generally is prosperous, a fair margin of profit is assured. The stamp of future improvement will, of course, depend to a large degree upon the development of the country. Renewed growth is assured, with the end of the war, but it remains to be seen to just what extent European immigration will be resumed.

The report for the year ending December 31, 1916, will be awaited by shareholders with considerable interest. Recent strength in the stock would indicate that the showing will be comparatively satisfactory. During the year the last $200,000 of the entire bond debt of $600,000 was paid off. The clearing of the bond debt, however, has necessitated the neglect of the dividend obligation on the preferred stock which at the first of the present year amounted to 21 per cent., or $371,000. This compares with a surplus of profit and loss as shown in the 1915 statement, $164,540.

The proposal for a reduction of the $3,000,000 common stock outstanding is made on the ground that the item of "goodwill" at about $3,100,000, was not met by physical assets, there being no reserve and earnings being such as to indefinitely postpone hopes of a dividend on such a large amount of stock. The suggestion of the directors was that the total be reduced from $3,000,000 to $1,000,000 and there have since been other suggestions that the preferred shareholders take scrip for their accumulated dividends and that this issue be reduced also. With the annual meeting to be held in the near future, it is likely that the question of the capital reorganization of the company will shortly become a live issue.

Sherbrooke Railway.

A. W. F., Charlottetown, P.E.I.—Would you kindly let me know something of the standing, financial strength and prospects of the Southern Canada Power Company, and also of the Sherbrooke Railway & Power Company. I am asked to exchange my common shares in the last named for preferred shares of the former on the basis of one share of Southern Canada for four shares of Sherbrooke. Would you advise me to make such an exchange?

From the information available we are inclined to the opinion that the holders of the common stock of the Sherbrooke Railway & Power Company will serve their best interests by entering into the proposal to transfer their holdings for preferred stock in the Southern Canada Power Company on the basis of four shares to one. The Southern Canada Power Company is still in the constructive stage but has made a comparatively good showing and, with proper management, has a good chance to make good. On the other hand Sherbrooke Railway and Power seems unable to do anything better than cover fixed charges while the relations between the company and the City of Sherbrooke are such that the future must be regarded as very uncertain. The annual meeting of the Southern Canada Power Company was held this week in Montreal but definite figures of the permanent statement were not given to the public. It was reported that fixed charges had been met and that there was a substantial surplus. In the year ending September 30, 1915, the surplus amounted to over $21,000. This is not a large sum in relation to the capital invested but may be regarded with considerable satisfaction in view of the fact that the company was not incorporated until August 1913 and is still in process of development. An early dividend is not to be looked for, in fact it requires considerable optimism to see anything before 1920 at the earliest. It might be mentioned in conclusion that one of the most conservative and best informed bond houses at Montreal advises its clients to make the exchange.

C.P.R.'S INTEREST IN NATIONAL AFFAIRS

Big Transportation System Dispalys Broad Policies — American Industries in Canada.

As the war develops there is noted more and more a greater tendency on the part of the C.P.R. to nationalize itself, so to speak, in the more constant association of itself with matters of national import. Undoubtedly the management broadly practises the theory that the interests of the two are identical. The work at present being done by the C.P.R. in connection with investigating our national resources and how best they may be utilized and waste cut down represents one phase of this policy.

Another is revealed by the interesting review of Canadian industrial activity for 1916 by J. Murray Gibbon, the versatile publicity agent of the road. He says:—

"The number of American concerns which have established plants in Canada since the beginning of 1915, is an imposing evidence of the attractive power of the Canadian market and of Canadian export possibilities. It should be added that all of the establishments are substantial plants, built for meeting a large business and for carrying on, not merely a sales agency or an assembling process, but practically the entire process of production from the purchased raw material to the finished article.

"One of the first American products to meet with an avowed policy of fiscal discouragement in Free Trade England, as a result of the war and its effect upon trade balances was the automobile. The establishment of branches of American automobile concerns in Canada has already been going on for some years, owing to the great growth in Canadian consumption of the article and the popularity of American brands. But the European situation has given a tremendous impetus to the movement. Existing plants have been vastly enlarged, and three new and important plants have been undertaken, those of the Maxwell Motors at Windsor, Ontario, the Chalmers Motor Company at Walkerville, Ontario, and the Chevrolet Motor Company at Oshawa, Ontario. This is exclusive of the acquisition and enlargement of Canadian-owned plants by American firms for the manufacture of American brands of cars.

"One of the biggest industrial undertakings of the year was that of the Proctor & Gamble Company, the proprietors of Ivory Soap and of sundry other soap and cottonseed oil products, who have commenced the erection of an immense plant in Hamilton, Ontario. The famous packing house of Libby, McNeill & Libby has established itself in Hamilton, Ontario (which city, it will be noted, is a favorite with American industries owing to its combination of cheap power and good labor supply with the best of shipping facilities). The Flint Varnish & Color Company has put up a branch factory at Toronto, Ontario; and the Link Belt Company is locating in the same city. Sherer & Gillett, makers of store counters, are establishing at Guelph, Ontario. The Maple Leaf Condensing Company, a Detroit concern, is at Chesterville, Ontario.

"The number of concerns establishing in the Province of Quebec has been small compared with those of Ontario, but the present labor situation, which is much more favorable in Quebec, is likely to correct that tendency to some extent. An important asset to the industries of Sherbrooke, Quebec, is that of Kayser & Company, the famous manufacturers of silk gloves, stockings, and other articles. The Aetna Explosive Company, at Drummondville, Quebec, has been improperly regarded as a war industry; it is so for the time being, but its immense plant has been designed so as to be applicable to the manufacture of dyes when the explosive business falls off.

"The Dominion Sugar Company, which is largely financed by American sugar-refining capital, is adding a big plant at Chatham, Ontario, to its existing buildings at Wallaceburg in the same province. The Goodyear Tire & Rubber Company is removing from small premises at Bowmanville, Ontario, to an immense property which it has bought at New Toronto, Ontario.

The same tendency towards the making of Canadian problems C.P.R. ones is noted in all the road's relations with the public. This sentiment should undoubtedly prove to be an asset of great value in determining the eventual relations of the road with the Canadian public. J. S. Dennis, assistant to the president, has drawn attention to some interesting facts in connection with the problem of properly disposing of the returned soldiers. He says in part:—

> Occupying a territory greater in area than the United States, Canada has a population less than 8,000,000. Possessed of natural resources in our forests, fisheries, mines, and vast unoccupied area of agricultural land, we are importing quantities of manufactured articles and foodstuffs which should be produced at home.
>
> In Canada, we have an unsound economical condition in the distribution of our population throughout the whole of the Dominion. In Western Canada, with a total population in the four western provinces of less than the population of the Province of Quebec, we find the unsound distribution between the urban and rural communities of 43 per cent. urban and 57 per cent. rural. This unsound condition also exists to a greater or less extent in the older provinces, and the distribution in the Dominion as a whole to-day is about 45 per cent. urban and 53 per cent. rural. These facts are, of themselves, sufficient to indicate the pressing necessity for increasing our population as a whole and properly distributing the increase, so as to correct this unsound division between the producer and consumer.
>
> Our effort in our future colonization campaign must be to obtain a greater proportion of immigrants to take up and cultivate our land and to discourage the immigration of laborers, either skilled or unskilled, to any greater extent than can be readily assimilated through extension of our industrial development.
>
> The United States is the source from which our greatest immigration may be looked for after the war. The population there is expanding rapidly, and opportunities for obtaining cheap land or employment, decreasing correspondingly, and the openings in Canada and the nationhood, which has come to us through our share in the war, will attract people from the United States.
>
> Our third problem is the matter of development. Much of our industrial business, municipal and transportation development in Canada prior to the war was in advance of what conditions justified, and we must recognize that our great constructive development program is at a standstill and will be "marking-time" until we can materially increase and properly distribute our population.

BRITAIN'S ECONOMIC FUTURE

Hartley Withers Speaks Optimisticaally of Outlook for After-war Period.

That the plan being followed by Great Britain in financing the war—in paying as she goes—will leave her in a comparatively strong economic position to face the adjustments which will follow in the wake of the conflict, is the opinion of Hartley Withers, one of the advisers to the British Treasury, early in the war, and later editor of *The Economist.* He thus refers to the nation's position:

"If, as I believe, England is paying for the war as it goes on, her natural resources will be at the end of it much as they were when it began. She will be poorer for it in this sense, that she will not have made the great addition to her capital wealth that would have taken place if the war had not happened. She will also be relatively poorer because other countries, notably the United States, will have enormously increased their wealth while she has stood still.

"On the other hand, war will have shaken her up and invigorated her and taught her many lessons in organization and method which will be useful in peace. Her debt charge will be enormous, but will mainly involve a transfer of wealth from the taxpayers to debtholders who will be her own citizens.

"If she learns war's economic lessons and continues to produce much and consume little, and if her capital and labor work in harmony and with better and more scientific methods, her productive power after the war should be much greater than before it, as long as she does not lose too many men before it ends."

The Northern Crown Bank

HEAD OFFICE, WINNIPEG

Statement of the Result of the Business of the Bank for the Year Ended 30th November, 1916. Submitted to the Shareholders at the Eleventh Annual General Meeting, held at the Banking House, Winnipeg, 10th January, 1917.

The Balance at Credit of Profit and Loss Account on 30th November, 1915, was	$ 21,630.08
Net Profits for the year ended 30th November, 1916, after deducting expenses of Management, and making full provision for all bad and doubtful debts	128,761.48
	$150,391.56
Appropriated as follows:—	
War Tax on Bank Note Circulation to 30th November, 1916	$ 17,436.70
Balance carried forward at Credit of Profit and Loss Account	$132,954.86

R. CAMPBELL, General Manager. D. H. McMILLAN, President.

ANNUAL STATEMENT TO SHAREHOLDERS as a the Close of Business on 30th November, 1916.

LIABILITIES		
Capital Stock paid in		$ 1,428,797.19
Rest		715,600.00
Profit and Loss Account		132,954.86
Dividends Declared and Unpaid		704.06
		$ 2,278,056.11
Notes of the Bank in Circulation	$ 3,336,320.25	
Deposits Not Bearing Interest	8,338,825.47	
Deposits Bearing Interest, including interest accrued to date of statement	10,046,229.13	
Balances Due to other Banks in Canada	686.60	
Balances Due to Banks and Banking Correspondents in the United Kingdom and Foreign Countries	1,599.36	
Acceptances Under Letters of Credit	25,672.95	
Liabilities not included in the foregoing	1,875.72	
		21,751,209.48
		$24,029,265.59

ASSETS		
Current Coin held by the Bank		$ 191,775.57
Dominion Notes held		846,404.75
Notes of other Banks		206,670.87
		$ 1,244,851.19
Cheques on other Banks	$ 1,845,972.47	
Balances Due by other Banks in Canada	993,011.56	
Balances Due by Banks and Banking Correspondents elsewhere than in Canada	1,484,378.74	
Dominion and Provincial Government Securities, not exceeding market value (Dominion Government War Issues, $3,714,700)	3,756,220.80	
Canadian Municipal Securities and British, Foreign and Colonial Public Securities, other than Canadian (Imperial Government Short-Term Munitions Loan, $1,500,000)	1,671,697.72	
Railway and other Bonds, Debentures and Stocks, not exceeding market value	220,536.28	
Call and Short (not exceeding thirty days) Loans in Canada on Bonds, Debentures and Stocks	534,865.00	
Deposit with the Minister for the purpose of the Circulation Fund	100,500.00	
Deposit in the Central Gold Reserves	2,200,000.00	
		$12,807,182.57
		$14,052,033.76
Other Current Loans and Discounts in Canada (less Rebate of Interest)	$ 7,853,988.15	
Capital Stock and Bonds in Subsidiary Company holding Bank Premises	1,250,000.00	
Liabilities of Customers under Letters of Credit as per contra	25,672.95	
Real Estate other than Bank Premises	36,621.02	
Mortgages on Real Estate sold by the Bank	97,784.42	
Overdue Debts, estimated loss provided for	241,306.76	
Bank Premises (fittings, furniture and fixtures) at not more than cost, less amounts written off	375,611.48	
Other Assets not included in the foregoing	96,247.05	
		9,977,231.83
		$24,029,265.59

D. H. McMILLAN, President. R. CAMPBELL, General Manager.

REPORT OF THE AUDITOR TO THE SHAREHOLDERS OF THE NORTHERN CROWN BANK

In accordance with the provisions of sub-sections 19 and 20 of section 56 of the Bank Act, I report as follows:

I have audited the Balance Sheet with the Books at the Head Office and the certified returns from the Branches.

I have obtained all the information and explanations that I have required and am of the opinion that the transactions of the Bank, which have come under my notice, have been within the powers of the Bank.

I have checked the cash and verified the securities representing the investments of the Bank at its offices in Winnipeg, at November 30, in addition to another date at Winnipeg, Vancouver, and Toronto, and find that they are in agreement with the entries in regard thereto in the books of the Bank.

The Balance Sheet is properly drawn up, so as to exhibit a correct view of the state of the Bank's affairs, according to the best of my information and the explanations given to me, and as shown by the books of the Bank.

A. A. BENTON, C.A.
(Of the firm of Marwick, Mitchell, Peat & Co.)
Auditor.

A. E. AMES & CO.
(Established 1889)
INVESTMENT BANKERS
Government, Municipal and Corporation Bonds and Stocks
Members Toronto Stock Exchange
PRIVATE WIRE CONNECTIONS:
Montreal New York Boston Philadelphia
Orders Executed on all Principal Exchanges on Commission
53 King Street West, Toronto
MONTREAL OFFICE:
Transportation Building

DOMESTIC WAR LOANS

We are pleased to quote most favorable rates either for buying or for selling the old or the new War Loan.

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Bank of Nova Scotia Building
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DEALERS IN
CANADIAN GOVERNMENT AND MUNICIPAL BONDS
Correspondence Invited.
W. A. MACKENZIE & CO.
TORONTO WINNIPEG

H. O'HARA & CO.
Members Toronto Stock Exchange

Stocks and Bonds dealt in on all Exchanges. Municipal, School District, Rural Telephone, etc., Bonds always on hand for investment. Write for particulars and list of offerings.

Royal Bank Building, Toronto

WE OFFER, Subject to Sale,
Selected 10 Year Western School District Debentures
To Yield Investor 6%.
Particulars Furnished on Request.
Investment Bankers
Brent, Noxon & Co.
TORONTO
Dominion Bank Building

Investments of January Funds
GOVERNMENT AND MUNICIPAL BONDS.

		Maturing	To Yield
Dominion of Canada (War Loan)..	5%	1913	Price on application
City of Toronto	5%	1926-1940	5%
Province of Saskatchewan	4½%	1919	5.30%
Province of Saskatchewan	4%	1923	5.30%
Town of North Bay	6%	1921-1938	5⅝%
Municipality, Point Grey, B.C.	5%	1953	6%

Full particulars on request.

A. H. MARTENS & COMPANY
(Members Toronto Stock Exchange)
Royal Bank Building - - - - Toronto.
61 Broadway, New York, N.Y. Dime Bank Bldg., Detroit, Mich.

Business Founded in 1795
AMERICAN BANK NOTE COMPANY
(Incorporated by Act of the Parliament of Canada)
BANK NOTES, BONDS, STOCK CERTIFICATES, CHEQUES AND OTHER MONETARY DOCUMENTS.
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NEWS OF THE BOND MARKET

OUTSIDE LOANS ARE ABSORBING GOOD MONEY

New British Loan in the United States Will be Popular.

NARROWS DOMESTIC MARKET

Bond Dealers Are Finding It Increasingly Difficult to Interest Investors in the Average Run of Municipals.

That there will be a considerable inquiry in Canada for the new British one and two-year notes to be floated next week in New York, is conceded by Canadian bond dealers. Judging by preliminary statements as to the terms of the new loan, it will undoubtedly prove mots attractive to investors. At time of writing exact details regarding the price at which the notes would be offered had not been received. That the issue will consist of $100,000,000 one-year and $150,000,000 two-year notes, dated February 1, 1917, and secured by collateral to the value of 120 per cent. of the face of the notes; that these notes will be convertible into 5½ per cent., 20-year bonds at any time prior to maturity and that they will be offered at a price to yield about six per cent., are the essential features of the issue made public so far.

Canadians have already shown their appreciation of the investment value of the British war loans by placing a good deal of capital in them. The Anglo-French loan has attracted and is still attracting considerable Canadian money and there are already indications that the new victory loan is being sought by some Canadian investors. The new loan in the United States will doubtless prove scarcely less interesting and bond houses in Toronto and Montreal are already receiving numerous inquiries about it.

Neutral Attitude.

The attitude of bond dealers towards the various exterior loans that have so far been floated, might be described as one of neutrality. They have neither encouraged nor discouraged their sale in Canada. For a time some dealers hesitated to handle them, but latterly they have been filling orders just as they came to hand. In the case of the Anglo-French bonds, the feeling has been that, as the term was comparatively short and holders would likely cash in at maturity, the money would not be lost to Canada, but would be reinvested later on in domestic securities.

Takes Money from Canada.

The fact cannot be glossed over, however, that all this buying of outside loans is removing money from investment in our own Canadian municipals. While all the money that Canada could muster for the purchase of these loans would probably constitute only a drop in the bucket, yet the total would mean a good deal for Canada herself. It would be so much less for the care of domestic requirements. As it is, bond dealers report great difficulty in interesting large buyers in the smaller municipal issues, and it is only because there are so few of these issues coming on the market that serious difficulty in financing them is not being encountered.

It would seem inevitable that Sir Thomas White would either have to take some steps to prevent further extensive investment in the exterior loans or else would have to issue his next domestic loan on considerably more favorable terms than the last one, if he wants to ensure its absolute success. He may have means of forcing the larger institutions to subscribe heavily, but there are many large investors who are sinking substantial sums in Anglo-French and other bonds of high yield-rates, who will not be in a position to place very much in the new loan.

THE MONTREAL MARKET.

January Business Reported to Have Been Above Expectations.

Montreal bond dealers interviewed by THE POST, state that the January investment business has been above their expectations. Public utilities bonds and municipal securities appear to be most in demand, but there has also been some enquiry for the securities of the more prosperous industrial corporations.

Features of the Week

While houses with American connections are finding a pretty fair demand for their offerings across the line, purely local dealers are experiencing very quiet business. Large institutional buyers have been tipped off by the Department of Finance to hold their funds for the new loan, and smaller investors are showing a preference for the high-yielding war bonds of the Allies. Demand for the smaller Canadian municipals, payable only in Canada, has consequently fallen off. There are a few new issues coming on the market and it is not improbable that they will be picked up at fairly good prices—this, not because of any strong general demand for such bonds, but because here and there some bond house will be found which can find an opening for such goods. The appearance of the victory loan in England and the new British loan in the United States, will tend to aggravate this condition, as it is anticipated that there will be a good deal of quiet buying of these bonds by Canadian interests in the immediate future.

During December, the bond business in Montreal was unusually dull, and for two or three months previous to that the Canadian war loan overshadowed all other offerings. The end of the year distribution of interest and dividends has materially changed the situation. People who have profited by the extraordinary prosperity of the companies having munitions contracts, have in many cases invested their dividends in bonds and have dispelled the ray of gloom which has been pervading the sanctums of some of the bond brokers.

An interesting feature of the situation is that many Old Country investors are realizing on their Canadian securities and investing the proceeds in the new British war loan. In order to assist the Government in its financing, they are even letting go of good stuff at bargain prices and Canadians are picking it up.

"We just got the check this morning for a $25,000 block of City of Montreal bonds, which we bought from an Old Country investor and resold here," said a leading broker to THE POST, "and that is only one of many such transactions," he said.

THE U. S. MARKET.

State and City Bonds Reported to be Working Down to a 3.50% Level.

In announcing the early flotation of a $25,000,000 State of New York issue of 4 per cent. long term bonds, the *Bond Buyer*, of New York, states that it is not at all improbable that the issue will be snapped up at pretty close to 3½ per cent., the level to which the more prominent city and state bonds have been gradually working in recent months. The bidding, it adds, will be close and widely participated in.

The city of Rochester, N.Y., has sold a block of bonds aggregating $1,875,000 on a 3.745 per cent. basis. Some of the bonds in the lot were serials and others straight term.

The city of Philadelphia held a sale of bonds last week, which attracted a good deal of interest in American bond circles. The amount offered, $12,774,200, was in 5, 30 and 50-year lots at 4 per cent., and the sale netted the city less than 3.85 per cent. The 5-year bonds were purchased on a 3.74 per cent. basis.

EDMONTON.

Preliminary Estimates for 1917 Show Slight Reduction Over 1916.

Edmonton will continue in 1917 its policy of reducing as far as possible its current expenditures. Preliminary estimates as they affect some twenty departments of the civic service have been prepared and they show a gross expenditure of $468,258 as compared with $492,150 in 1916. This total does not include the estimates of the police department, police commissioners and city pound, which will run into another $100,000, neither does it include the libraries, hospital, welfare league and other bodies depending on the city coffers for finances.

Of the twenty departments whose figures are submitted, eight estimate increased expenditures. The fire department will want $108,880 as against $106,191 last year; the comptroller asks for $12,300, compared with only $11,000 last year, and the sewer maintenance department requires $11,000 as against $6,500. But it is pointed out that all departments are basing their estimates on increased salaries. The question of readjusting salaries to pre-war status has to be decided by this year's Council.

BIG MONTREAL SALE THE EVENT OF THE MOMENT

Catholic School Commissioners Sell a Million and a Half.

WINDSOR CITY PLACES BLOCK

Very Little Business Being Done Outside of These Two Issues, New Flotations Being Scarce.

The first important bond sale of the year was completed on Tuesday afternoon, when an issue of $1,500,000 five per cent. thirty-year bonds of the Montreal Catholic School Commission was awarded to Credit Canada, Limited. The price paid was 96.04, at which the bonds were on a slightly lower basis than 5.25 per cent.

Tenders were invited on an alternative basis of twenty or thirty years and the following were the offers received on the respective terms:—

TWENTY-YEAR BASIS.

D. W. & A. E. Brunet	96.53
Credit-Canada Limited	96.33
Canadian Bond Company	95.93
J. A. Davis & Company	93.75
T. Rene Leclerc	93.52
Harris Forbes & Company	93.117

THIRTY YEAR BASIS.

Credit-Canada Limited	96.04
D. W. & A. E. Brunet	95.97
Canadian Bond Company	95.64
T. Rene Leclerc	92.69
J. A. Davis & Company	92.46
Harris Forbes & Company	91.82

The bonds were awarded on the 30-year basis. A higher bid was put in by another Montreal firm at 97, but it seems that they were not prepared to comply with all the conditions and so their offer was declined.

The purchasers have subsequently disposed of the issue to American clients.

"The Americans are eagerly absorbing all the good Canadian municipal bonds that they can get," said F. Saint-Pierre, secretary-treasurer and with E. A. Ouimet, joint manager of the company, to the FINANCIAL POST. This particular issue has already been placed."

The Windsor Sale.

On Friday of last week the city of Windsor made an offering of four blocks of bonds aggregating $130,727. Of these, $68,727 represented 5 per cent., 10-instalment local improvements; $40,000 were 5 per cent., 20-instalment patriotic debentures, and $22,000 were 5½ per cent., 10-instalment sidewalk debentures.

Eleven bids were submitted for the bonds, which were duly awarded to the highest bidder, G. A. Stimson & Co., at 98.27. At this price the bonds were about on a 5.30 per cent. basis. The last previous sale of Windsor bonds was made in July, 1916, when A. E. Ames & Co. were awarded $196,000, 5 and 5½ per cent., thirty-instalment bonds at 96.914, or on a 5.15 per cent. basis. Previous to that, in February, 1916, Stimson & Co. bought $194,173, 5 and 5½ per cent., 10 and 20-instalment Windsor bonds at 99.22, or on a 5.40 per cent. basis. This indicates that prices are now under the level of last summer, but still above that of the early part of the year.

Eleven bids were received for the issue, one of which, that of Terry, Briggs & Co., was only for a portion of the whole offering. The list of bids is as follows:—

G. A. Stimson & Co.	98.27
Canada Bond Corporation	97.98
R. C. Matthews & Co.	97.79
Aemilius Jarvis & Co.	97.67
Wood, Gundy & Co.	97.64
Imperial Bank	97.63
A. E. Ames & Co.	97.51
Brent, Noxon & Co.	96.81
C. H. Burgess & Co.	96.81
A. H. Martens & Co.	92.97
Terry, Briggs & Co., Toledo	.....

Windsor, lying as it does so near the American border, and being the scene of so much industrial activity on the part of United States concerns, has a specially good standing in the eyes of American investors and its bonds accordingly command a slightly better price than those of municipalities lying further from the boundary.

Smaller Issues.

The result of the sale of school district bonds by the Local Government Board of Saskatchewan on Jan. 9 was as follows:—Harrisland $1,600 and Sunnybrook $1,200, to H. O'Hara & Co.; Buffalo Hump $1,500, Sturgeon Valley $1,600, and Bladworth $600, to W. L. McKinnon & Co. All were 7 per cent., 10-instalment, except Bladworth, which was 7 per cent., 4-instalment.

H. O'Hara & Co. report the purchase this week of two Manitoba school district issues — Trembowla, $3,500 and Pawlyk $1,200. Both were 7 per cent., 10-instalments.

W. L. McKinnon & Co. report the purchase this week of an issue of $7,081.45, 6 per cent., 10-instalment drainage debentures of the township of Tilbury West. The sale was negotiated privately.

BURNABY.

Taxes in Arrears, But Sinking Fund Has Been Well Maintained.

At the annual meeting of the ratepayers of the district of Burnaby, B. C., Reeve Fraser made the statement that while taxes in arrears amounted to over half a million dollars and there was a large overdraft, the sinking fund had been religiously kept up. He claimed that he would not remain in office if this was not done.

Taxes collected in 1916 totalled $335,432, of which $154,461 were for that year and the balance tax arrears. The total amount of taxes outstanding was $593,132. Reeve Fraser stated that if half, or even less than half of this amount could be collected, the present overdraft at the bank could be paid off. It was, however, less now than it was when he took office.

The annual meeting of the Canadian Bond Dealers' Association will be held in Montreal on Monday, February 5. The programme is at present being prepared by the Montreal committee and it is hoped that several prominent speakers will be present.

Norman Jarvis, who has been managing the Toronto office of the Royal Securities Corporation for the past year or more, has resigned to accept the position of manager of the New York office of Aemilius Jarvis & Company. Mr. Jarvis expects to leave for New York towards the end of the month. He succeeds Peter R. Jack, who has been in charge since the office was opened last summer.

R.C.Matthews&Co.
Government and Municipal Bonds
C.P.R. BUILDING
TORONTO

TENDERS WANTED.

$500,000
City of St. Hyacinthe 5% Serial Bonds

1.—Sealed Tenders endorsed, "Tenders for City of St. Hyacinthe Bonds," addressed to the Mayor and Members of the Council of the City of St. Hyacinthe, will be received by the undersigned until 4 o'clock in the afternoon, the 24th January, 1917.

2.—The bonds are issued for the purposes mentioned in the by-law No. 209, passed by the City Council, the 13th December, 1916, and approved by ratepayers, the 4th January, 1917.

3.—They are serial bonds, payable in 30 years, according to by-law No. 209. The bonds bear date 1st of November, 1916; and are in denominations of $1,000.

4.—Interest at the rate of 5 per cent. per annum, is payable half-yearly on the 1st of May and November; the first half-yearly instalment of interest being due and payable on the 1st of May, 1917.

5.—Principal and interest, payable in Montreal, New York or in any other place, according to by-law No. 209.

6.—Each tender must be accompanied by a certified check, payable to the City of St. Hyacinthe, for the sum of $5,000. All such checks in connection with bids not accepted, will be returned within 24 hours after the opening of tenders. Checks of successful tenders will be applied in partial payment of the bonds sold.

7.—Bonds will be printed immediately after the sale and delivery to be made at the office of the undersigned, in St. Hyacinthe. Payment to be made at the office of the undersigned, in St. Hyacinthe, with accrued interest from the 1st November, 1916.

8.—Tenders will be received for the whole issue of $500,000 or for a block, but according to above conditions.

9.—The right is reserved to reject any or all proposals.

A. MESSIER,
City Clerk.

St. Hyacinthe, January 5th, 1917.

CITY OF MONTREAL

CATHOLIC SCHOOL COMMISSION BONDS

WE own and offer a limited amount of Bonds issued by different Catholic School Municipalities which have been annexed to the Montreal Catholic School Commission, during the last Session of Parliament.

By this annexation the assets and liabilities of these Municipalities have been merged with those of the Montreal Commission and the Bonds have become the direct obligation of this Corporation.

They are in turn virtually Bonds of the City of Montreal. The City is, by law, responsible for the maintenance and needs of the schools, levies and collects taxes, provides for the payment of interest on the bonds and administrates the sinking fund for their redemption at maturity.

Price: Rate to Yield 5½%

Full Particulars on Request.

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160 St. James Street Montreal
Telephones: Main 1260 and 1261

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General Solicitors for the Canadian Bank of Commerce, National Trust Company, Limited, etc.

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CONSULTING ENGINEERS

MONTREAL
W. J. Francis & Co. - 282 St. James St.

Safety of Principal, Certainty of Interest

A writer in one of our financial journals recently said that real estate mortgages combine the two great essentials of a conservative investment—safety of principal and certainty of interest.

To those who have funds for investment only in small sums, this most desirable class of security is not directly available. They may, however, secure all those advantages by investing in the bonds of this corporation, which are based on upwards of thirty-two million dollars of carefully selected first mortgages on improved real estate. These bonds may be had in denominations of one hundred dollars. They are a security in which Executors and Trustees are expressely authorized by law to invest trust funds.

Send for specimen bond, copy of Annual Report and full particulars.

Canada Permanent Mortgage Corporation

Paid-up Capital,	$6,000,000.00
Reserve Fund,	4,750,000.00
Investments,	33,546,242.74

Toronto Street TORONTO
ESTABLISHED 1855

Chartered Trust and Executor Company

accepts funds for investment in selected first mortgages and gives its own Guarantee of repayment of principal and interest. This guarantee provides all the essentials of a high-class investment—good interest return, absolute promptness of payment and security of principal.

Chartered Trust and Executor Company
61 Yonge St. TORONTO

FIELD OF MUNICIPAL FINANCE

TORONTO ASKS POWER TO BUY ITS DEBENTURES

Application is Being Made to the Legislature For a New Act.

OTHER FINANCIAL MATTERS

The Method of Issuing Debentures May Be Changed As a Result of the Proposed Legislation.

The city solicitor has drafted a lengthy application to the Legislative Assembly of Ontario for an Act which will embody various changes in the financial arrangements of Toronto. One of the most important sections of the application has to do with the refunding of the city debt by means of the retiring of sterling bonds and the issue therefor in the American market of dollar debentures. The section reads as follows:—

"To provide that, notwithstanding the provisions of the Municipal Act, or any other Statute of this Province, the said corporation may from time to time buy in any of the corporation's outstanding debentures and may issue others in the place thereof on such terms and conditions as may be approved by the Lieutenant-Governor-in-Council, to authorize the giving of such approval, and for the aforesaid purposes to secure temporary loans from time to time for such amounts as may be required."

Changes in Debentures.

Another section of the application has to do with the dating of the debentures issued by the city and the denominations of the bonds. Hitherto the city has been compelled to pay interest on two fixed days in the year, viz., Jan. 1 and July 1. This has been found a handicap at times in selling new issues. Accordingly it is being asked that interest on debentures may be payable half-yearly or otherwise during the year and "on such dates in the year as the Council may determine." Further, the city has been required by law to issue its debentures in such a way that payments of debt and interest would be the same each year. This has meant that when instalment bonds have been issued, they have had to be put out in odd denominations. Power is now asked to issue new debentures in denominations of $500 and $1,000.

New Loans Proposed.

The Legislature will be asked to authorize the Council to pass a by-law or by-laws for the issue of Toronto Consolidated Loan Debentures to raise the sum of $1,498,864, "without submitting the same to the electors qualified to vote on by-laws for the creation of debt." The purposes for which the money is required are set forth in the following schedule:—

(a) Overdraft By-law 4480, high pressure system	$ 79,195.00
(b) Civic Car Lines, General By-laws 5626, 5933 and 7150, to cover overdrafts and complete work	140,000.00
(c) Civic Car Lines, balance required under By-law 7451 for purchase of cars	17,000.00
(d) Bloor Street Civic Car Lines, for amount already expended and to complete work	125,000.00
(e) Water Works By-law 6343, to cover overdraft and complete work	600,218.88
(f) Water Works By-law 6460, to cover overdraft and complete work	239,485.95
(g) Water Works By-law 4357, to cover overdraft and complete work	239,485.95
(h) Various Water Works By-laws applying surplus in wiping out deficit:—	

Overdraft Surpluses—

By-law		
4209	$32,222.21	
4982	15,087.02	
5166	42,183.69	
5776)		
6287)	41,716.90	
6983)		
5382		$15,833.60
5453		46,699.35
6461		19,170.98
7071		15,141.40
	$131,209.82	$96,845.33

To provide difference	$ 34,364.49
(i) North Toronto Sewage Disposal overdraft	38,870.25
(j) Overdraft in respect to By-laws 5417 and 7072 for the erection of fire halls and police stations	7,679.05
(k) Balance paybale in connection with the erection of the City Hall	136,264.88
Total	$1,498,684.33

The existing debenture debt of the city of Toronto, not including the local improvement debt, is stated to be $83,716,797, with $5,290,486 authorized but not issued, bringing the total up to $89,007,283. The unissued debentures are in connection with waterworks construction and it is now asked that these may be issued in a new form, in such sum or sums and at such times as may be required; at such rate of interest as may be determined by the Council and on the instalment principle.

To Validate By-laws.

The Legislature is asked to validate and confirm several by-laws passed by the City Council, including $601,000 for laying revenue mains and water services on certain streets; $143,000 for the public schools' share of the cost of completion of the Administration Building, and for constructing, reconstructing and enlarging certain schools; $291,000 for equipment for the new Technical School, and $49,000 for the completion of the High School of Commerce and the High Schools' share of the Administration Building.

TROUBLE OVER SALE.

Town of Aylmer, P.Q., May Get Into Difficulty With Bond House.

The Town of Aylmer may get into trouble over the sale of its recent bond issue of $45,000. These bonds were originally awarded to the Credit Canada, Limited, but there were some technical difficulties about the by-law and the printing of the bonds, and the municipality resold the issue to the Banque Provinciale, which turned the bonds over to three brokerage firms. It is possible that a legal action will be the outcome of the mix-up.

Money By-laws

Those investors who wish to keep in touch with the municipal bond market will find this department useful. It aims to be accurate and convenient. THE FINANCIAL POST makes a specialty of municipal bond news. Municipalities will find it to their advantage to send in direct news of contemplated bond issues.

TENDERS WANTED.

Jan. 20, Haldimand County.—$12,000 5 per cent. 30-instalment patriotic debentures.

Jan. 22, Campbellton, N.B.—$25,000 five per cent. water and light bonds. J. T. Reid, town clerk.

Jan. 23, Galt.—$7,000 5½ per cent., 30-instalment waterworks debentures of the city of Galt.

Jan. 24, St. Hyacinthe, P.Q.—$500,000 5 per cent. 30-year serial bonds of the town of St. Hyacinthe. (Further particulars in announcement page 12.)

Jan. 31, Sandwich South Township. — $2,000 5 per cent. 10-instalment local improvement debentures; $2,007.05 6 per cent. 7-instalment drainage debentures and $5,253.87 6 per cent. 10-instalment drainage debentures.

Feb. 5, Souris, Man.—$15,000 6 per cent., 20-instalment bonds, dated December 31, 1916. J. W. Breakey, secretary-treasurer, Souris, Man. (Further particulars in announcement, page 12.)

BY-LAWS PASSED OR DEFEATED.

Chatham.—$45,000 for extensions to the local hydro electric system and $16,000 for extension of water mains to westerly limits of the city, passed by council, January 8.

DEBENTURE NOTES.

Calgary.—The Post understands that Calgary will be floating some bonds on or after March 1. They will probably be twenty-year fives.

Peterboro.—City Treasurer Adams reported at the first meeting of council for 1917 on the respective advantages of sinking fund and instalment bonds. He seemed to favor sinking fund bonds in preference to instalment bonds, stating that higher rates are usually obtained for the former kinds of bonds.

SASKATCHEWAN.

The following is a list of debenture applications granted by the local Government Board from Jan. 8 to Jan. 12:—

School Districts. — Bakerville, $1,700; Malden, $1,200; Wolf Willow, $1,500; Holbeck, $1,800.

Rural Telephone Companies.—Macrorie, $26,000; Chamberlain, $2,600.

Town.—Estevan, $6,500.

The following is a list of debentures reported sold from Jan. 8 to Jan. 12.

School Districts.—Ward, $150; Mildred, $1,400; Bladworth, $600; Buffalo Hump, $1,500.

BOND SALES.

$2,575 Asbestos at 72 to 70; $2,000 Bell Telephone at 98½ to 98¼; $1,000 Can. Power at 50; $1,500 Canada Bread at 93½; $4,500 Canada Cement at 98; $7,800 Cedar Rapids at 91½ to 89¾; $3,700 Can. Cottons at 83 to 82½; $1,000 Dom. Cotton at 99; $5,000 Dom. Iron at 87; $10,300 Montreal Trams. debs. at 76; $24,500 National Breweries at 90¼ to 86½; $12,000 Ogilvie Flour, A, at 103¼ to 103; $5,000 Ogilvie Flour, C, at 103¼; $2,500 Price Bros. at 85; $2,500 Quebec Ry. at 71 to 70¾; $7,200 Wayagamack at 87½ to 86¾; $92,700 War Loan at 98½ to 97⅞; $319,900 New War Loan at 98¾ to 98½.

WEEKLY RECORD OF GOVERNMENT AND MUNICIPAL BOND SALES.

Date.	Place, purpose and purchase.	Rate.	Term.	Amount	Price.	Basis
Jan. 12	Windsor, local imp, Stimson & Co.	5%	10-ins.	$68,727	98.27	5.30%
" 12	Windsor, patriotic, Stimson & Co.	5%	20-ins.	40,000	98.27	5.30%
" 12	Windsor, Sidewalks, Stimson Co..	5½%	10-ins.	22,000	98.27	5.30%
" 12	Saskatchewan Schools, various....	7%	10-ins.	3,500	.....	.....
" 16	Trembowla, S.D., Man., O'Hara...	7%	10-ins.	1,200	.....	.....
" 16	Pawlyk, S.D., Man., O'Hara	7%	10-ins.	3,650	.....	.....
" 16	Montreal Catho. schls., Credit Can.	5%	30-yr.	1,500,000	96.04	5.27%
" 16	Tilbury W. Township, McKinnon.	6%	10-ins.	7,081	.....	.....
	Total			$1,646,158		....

VICTORIA AND WINNIPEG BOTH MAKE SAVINGS

Winnipeg's Refunding Plan Reduces Debt by Half Million.

VICTORIA BUYS DEBENTURES

Coast City Gains $28,000 by Investing Sinking Funds in Outstanding Stocks and Bonds.

As a result of the application of the conversion plan adopted last year by the city of Winnipeg, whereby sterling bonds are replaced by dollar securities, it will be possible for the city to call in and cancel stock to the amount of $572,295. This amount represents the saving effected by the transaction.

In a concise statement presented to the Board of Control last week, City Treasurer H. C. Thompson reported that he had received from J. P. Morgan & Co. a check for $20,423, which represented an adjustment of interest shared equally by the city and company and an extra profit on the sale of the new debentures.

Reaches Over Half Million.

The reduction of the city's debt as a consequence of the transfer while nominally $476,715, is actually more. Added to this amount is the extra profit named and the utilization of that part of the sinking fund affected by the conversion and other amounts, these combined enabling the calling in of the stock to the amount of $572,295, by which amount the city's debt will be really reduced.

The city treasurer recommends that stock issued under the following by-laws be as a consequence cancelled:—

By-law No.	Purpose	Maturity	Amount
5544	Bridges	1941	$232,541.00
5460	Police Patrol Service	1941	60,000.00
6358	Fire Halls	1941	60,000.00
5546	Fire Alarm System..	1941	145,293.79
4218	Fire Halls	1941	49,460.40
6350	Osborne St. Bridge.	1941	25,000.00
			$572,295.19

In order to do this, it will be necessary for the City Council to authorize the conversion of an additional $95,579 of the 1940-60 stock and for the sinking fund trustees to be notified of the intention of the city to cancel the stock named.

Although the interest on the new issue will be increased by the transaction, the buying in of the stock named will effect an immediate net annual saving of $12,000 over this amount, which will year by year be increased to $34,000.

Victoria's Investment.

On September 18 last, an appropriation was made from the sinking fund of the city of Victoria of $250,000 for the purchase of such bonds of the city as might be offered for sale from time to time.

Up to December 31, 1916, stock and debentures of the face value of $133,691.89 were purchased, the net cost to the city being $105,443.27. The purchases were distributed as follows:—Sooke Lake 4 per cents, $55,105.25; Sooke Lake, 4½ per cents., $17,519.98; general purpose, 4 per cents, $29,686.66; general purpose, 4½ per cents., $5,000; local improvement, 4 per cents., $26,380. As the city cannot invest its sinking funds in its own securities, these stock and debentures have been cancelled.

"There is no doubt that this has been a very good investment," said Alderman Porter, when the report of the city controller on the matter was presented to Council. "It nets the city $28,000 on an investment of $133,000. I don't think we could have invested our sinking fund to a better advantage."

City Treasurer Bradshaw, of Toronto, has recently negotiated a short term loan of two million dollars in New York. The money has been borrowed in anticipation of taxes, a custom usually followed by Toronto. It is understood that the rate paid was 3.375 per cent.

THE ROYAL BANK OF CANADA

INCORPORATED 1869

Capital Authorized	$ 25,000,000
Capital Paid Up	12,900,000
Reserve and Undivided Profits,	14,300,000
Total Assets	270,000,000

HEAD OFFICE, MONTREAL.

360 Branches in Canada and Newfoundland.
Thirty-three Branches in Cuba, Porto Rico, Dominican Republic, Costa Rica and Venezuela

BRITISH WEST INDIES

ANTIGUA—St. John's; BAHAMAS—Nassau; BARBADOS—Bridgetown; DOMINICA—Roseau; GRENADA—St. George's; JAMAICA—Kingston; ST. KITTS—Basseterre; TRINIDAD—Port of Spain and San Fernando; BRITISH HONDURAS—Belize. BRITISH GUIANA—Georgetown, New Amsterdam and Rose Hall (Corentyne).

LONDON, ENGLAND
Bank Bldgs., Princes St., E.C.

NEW YORK CITY
Cor. William and Cedar Sts.

BUSINESS ACCOUNTS CARRIED UPON FAVORABLE TERMS.
SAVINGS DEPARTMENT AT ALL BRANCHES.

Montreal Trust Company

Appointments as Executor and Trustee are Solicited

Testators may deposit their Wills with this Company for safe-keeping free of charge.

Moderate fees are charged for the safe custody of securities and the collection of interest and dividends in respect thereof.

The Company will act as Agent and Attorney for Private Executors who desire to be relieved of the details connected with the Estates they are administering.

Offices: - - 142 Notre Dame Street West

THE ROYAL TRUST COMPANY

EXECUTORS AND TRUSTEES
HEAD OFFICE, MONTREAL,
Capital Fully Paid, $1,000,000. Reserve Fund, $1,000,000.

BOARD OF DIRECTORS:
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Sir William Macdonald
Hon. R. Mackay
Capt. Herbert Molson
Lord Shaughnessy, K.C.V.O.
Sir Frederick Williams-Taylor, LL.D.
A. E. Holt, Manager.

TORONTO BRANCH, BANK OF MONTREAL BUILDING, YONGE & QUEEN STREETS.
BRUCE L. SMITH - - - - Manager.

THE STANDARD TRUSTS COMPANY

Head Office - - - - - 346 Main Street, WINNIPEG.
J. T. GORDON, Esq., President
(President, Gordon, Ironsides & Fares Co., Ltd.)
W. E. LUGSDIN, Secretary-Treasurer.
WILLIAM HARVEY, B.L., Vice-President and Managing Director

Authorized Capital	$ 1,000,000.00
Subscribed and Fully Paid	750,000.00
Reserve	455,000.00
Total Assets	15,250,000.00

Acts as Trustee, Executor, Administrator, Guardian, Agent, Etc.

Insure your Estate against mismanagement and loss by making your Will appointing this Company your Executor and Trustee. Will forms supplied free. All business of a trust nature transacted.

The most important document a person of large or small means is called on to prepare is his

LAST WILL AND TESTAMENT

It means the happiness and welfare of those most dear.
Ask for Booklet: "Make Your Will."

CAPITAL ISSUED AND SUBSCRIBED	$1,171,700.00
PAID-UP CAPITAL AND RESERVE	860,225.00

The Imperial Canadian Trust Co.

EXECUTOR, ADMINISTRATOR, ASSIGNEE, TRUSTEE, ETC.
HEAD OFFICE: WINNIPEG.
BRANCHES: SASKATOON, REGINA, EDMONTON, CALGARY, VANCOUVER AND VICTORIA.

Why Burden Your Wife

IF you wish to appoint your wife as executrix or trustee under your will, why not assist her to carry the heavy burden by appointing this Corporation as co-executor?

Your estate will thus have the advantage of the personal direction which she can give, and she will be relieved of the burdensome details necessarily involved in the management of any estate. Also she will receive invaluable assistance in regard to investments.

Our officers will be glad to confer with you in regard to the making of your will or any trust business you may have in mind.

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President
W. S. DINNICK
Managing Director
HERBERT WADDINGTON
80 KING ST. EAST · TORONTO
Telephone Main 2717

AN ESTATE FREE OF DEBT

Many investors purchase real estate by means of instalments, payable monthly or yearly, thus making ownership possible in time.

In the event of death before the payments are completed, however, the estate is bequeathed, encumbered with debt, and the heirs may not be able to continue the payments.

And it might easily result that the whole of the investment would be lost to the beneficiaries.

Life insurance also constitutes an estate payable by instalments, but death ends the obligation to make payments, and the estate is handed down intact.

Every man who has dependent relatives or friends should have a substantial portion of his investments in the form of life insurance, since the payment of the first premium creates for them an estate free of debt.

THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
WATERLOO ONTARIO

British Colonial Fire Insurance Co.
2 Place d'Armes, Montreal
AGENTS WANTED IN UNREPRESENTED DISTRICTS

THE
CANADA NATIONAL FIRE
INSURANCE COMPANY
HEAD OFFICE: WINNIPEG, MAN.
SURPLUS TO POLICYHOLDERS, $1,820,752.82
A Canadian Company Investing its Funds in Canada
APPLICATION FOR AGENCIES INVITED.

Prosperous and Progressive

Up-to-date business methods, backed by an unbroken record of fair-dealing with its policyholders, have achieved for the Sun Life of Canada a phenomenal growth.

More than 166,000 of its policies are now in force for assurances, totalling over $265,000,000—much the largest amount carried by any Canadian life company.

Sun Life of Canada Policies are safe and profitable Policies to buy.

SUN LIFE ASSURANCE
COMPANY OF CANADA
HEAD OFFICE—MONTREAL

THE
Independent Order of Foresters

Furnishes A Complete System of Insurance

Policies issued by the Society are for the protection of your Family and cannot be bought, sold or pledged.

Benefits are payable to the Beneficiary in case of death, or to the member in case of his total disability, or to the member on attaining seventy years of age.

Policies issued from $500 to $5,000. For further information and literature, apply to

Total Benefits Paid 42 Million Dollars

FRED J. DARCH, S.S., E. G. STEVENSON, S.C.CR., Temple Building, TORONTO.

THE LONDON MUTUAL FIRE Est. 1859
INSURANCE COMPANY
ASSETS - - - - - - - $784,426.31
SURPLUS TO POLICYHOLDERS - - - - $404.046.07
DIRECTORS:
A. H. C. CARSON, Toronto, President
R. HOME SMITH, Toronto, Vice-President
F. D. WILLIAMS, Managing Director
A. C. McMASTER, K.C. W. T. KERNAHAN S. G. M. NESBITT
H. N. COWAN G. H. WILLIAMS
HEAD OFFICE, - 33 SCOTT ST. - TORONTO

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Escape The Frost!
In Victoria or Vancouver, B.C.

Canada's own Winter Resorts and spend your Money at Home.

Average Sunshine 5½ Hours Daily

Splendid roads for Motoring—Golf the Year round—Fishing, Hunting and Shooting.

Three Superb Trains Leave Toronto Each Week

Get full particulars, through Tickets and Reservations from nearest C.N.R. Agent, or write General Passenger Depts., Toronto, Ont.; Montreal, Quebec, or Winnipeg, Man.

Travel Canadian Northern All The Way

INVESTORS' INSURANCE NOTES

RISKS ON MUNITION PLANTS LOSING FAVOR

Details of Insurance Involved in Canada Car Disaster.

FIRE INSURANCE AFFECTED

Managers of Fire Companies Looking Into Munition Lines and May Cancel Policies or Advance Rates.

Company managers are looking into their lines on the munition plants, according to the *Journal of Commerce*, and clearly intend to send out many cancellation notices. The rates they have been securing are so ridiculous compared to the risk assumed that it will be practically impossible to place such lines hereafter at the recent current tariffs. In fact, it is likely that no such business can be covered at less than a 5 per cent. rate hereafter. It is likely that some companies will ask and receive much more than 5 per cent. The Canadian Car & Foundry Company's loss demonstrates conclusively that the different buildings of a munition plant cannot be regarded as separate risks.

The Du Pont loss at Haskell, N.J., coming hard on the heels of the Kingsland disaster, impresses underwriters most unfavorably. It will be very difficult to get anything like adequate insurance on any large munition risk hereafter, even at the fancy rates which will be required. Such risks will be put on the prohibited list of very many companies and those that gamble on these hazards will do so only at abnormal rates.

The full list of insurance on the Canadian Car & Foundry Co., Ltd., plant at Kingsland, N.J., is as follows:—

Building and Equipment.

Insurance Co. of North America..$	77,500
North River of New York	10,000
Merchants of New York	10,000
National of Hartford	50,000
United States	7,500
Aetna of Hartford	20,000
Richmond	7,500
Scottish Union & National	40,000
Williamsburgh City	7,500

Stock (Blanket).

Globe & Rutgers ....$	503,500
North River of New York	160,000
Commercial National	2,500
Williamsburgh City	102,500
United States	80,000
Merchants of New York	87,500
Richmond	62,500
Commonwealth	25,000
Dutch Underwriters	15,000
Liverpool, London & Globe	180,000
Aetna of Hartford	70,000
Continental	15,000
Hartford Fire	40,000
North British & Mercantile	120,000
Western of Toronto	45,000
Continental	5,000
Fireman's Fund	12,500
Mercantile of America	50,000
Scottish Union & National	80,000
Royal Exchange	30,000
Fidelity-Phenix	5,000
Ohio Millers	50,000
Fidelity-Phenix	15,000
Lloyds, London	22,500
Camden Fire Association	10,000
Law Union & Rock	5,000
Lumber Underwriters	10,000
Home of New York	125,000
Automobile of Hartford	15,000
Stuyvesant of New York	20,000
Insurance Underwriters	15,000
Industrial of Akron, Ohio	15,000
Fire Association of Philadelphia..	7,500
Columbian National	10,000
National Union of Pittsburg	25,000
Northern of London	35,000
New York Underwriters Agency ..	52,500
Camden Fire Association	10,000
Providence-Washington	15,000
Norwich Union	7,500
Pennsylvania Fire	7,500
Lloyds, London, Cornhill & Excess	162,500
Total ....$	2,326,000

Stock in Buildings 22, 10, 12 and 36.

United States of New York ......$	7,500
Richmond of New York	7,500
North River of New York	13,500
Home of New York	15,000
Merchants of New York	10,000
Ohio Valley	2,000
Ohio Millers	15,000
Total ....$	70,500

Stock in Buildings 2, 19, 29, 30 and 1.

Northern of London ....$	5,000
Home of New York	10,000
Merchants of New York	12,500
Ohio Valley	3,750
Rhode Island Fire of Providence.	20,000
United States of New York	10,000
Richmond of New York	15,000
Liverpool & London & Globe	10,000
North River of New York	15,000
Total ....$	103,000

Stock in Buildings 1, 2, 9, 19 and 22.

American Lloyds ....$	10,000
Great Western Lloyds	8,000
Union Underwriters	8,000
New York & Boston Lloyds	5,000
Colonial of New York	5,000
Lloyds of London	30,000
National of Great Britain	10,000
Total ....$	76,000

Stock in Buildings 3 and 4.

Liverpool & London & Globe ....$	10,264

Stock in Magazines.

Liverpool, London & Globe ......$	10,000

WAR CLAIMS.

Immense Sum Paid by British Life Companies on War Risks.

British institutions transacting life assurance business paid $37,000,000 war claims from the beginning of the war to last November, according to S. G. Warner, president of the Institute of Actuaries. An article on the subject in the *Times* says: "Many of those who assured during the past few years did not anticipate the European cataclysm, and received as a rule policies free of all restrictions. In some cases in the policies issued to civilians the war risk was specifically excluded, but the offices which issued these generally decided to waive their rights, partly in view of the fact that the great majority of the policies were free of all restrictions. It has been a testing time in all offices, but it is a splendid tribute to the strength of British life assurance that there have been practically no signs of distress. During the war these offices have been an important factor in national finances. They are large subscribers to war loans. The president of the Institute of Actuaries stated that the offices had invested in British Government securities upwards of £75,000,000, and had sold or lent to the Treasury securities of the face value of £46,000,000. Before the Treasury scheme appeared large blocks of American securities had been sold by life assurance offices in the market, many of which might have passed into the hands of the Treasury. Their sale in any case effected the same purpose the Treasury had in view, viz., maintenance of rate exchange. The total amount of these was not less than £20,000,000."

AGENTS IN ONTARIO.

Elucidation of Section of Insurance Act Describing Agent.

The number of agents licensed to date is 5,701. It is very evident from this number that very many people are transacting insurance business in the Province of Ontario without being duly authorized, and are liable to the penalties mentioned in Sub-section 9 of 99a of the Ontario Insurance Amendment Act, which is, "A fine not exceeding $200 and not less than $20, and in the case of a second or subsequent conviction shall be liable to imprisonment for any term not exceeding six months."

The question as to who is an agent has been asked. Section 99a (1) says:

"The word 'agent' in this section shall include an acknowledged agent, sub-agent, or any person, firm or corporation who shall in any manner transact the business of insurance by negotiating for, or placing risks, or delivering policies, or collecting premiums, but shall not include the officers and salaried employees of any company who do not receive commissions."

If the companies would only assist the Department there would be little fault to be found in regard to people transacting insurance business illegally. Under Sub-section 7:

"No corporation, or any officer, agent or employee of a corporation shall accept from any person, except the insured or a duly authorized agent, any application or proposal for a policy of insurance."

Under this section, if a company or any of its officers or employees accepts business from an unauthorized agent, they are liable to the penalties above mentioned. It is the duty of every company, before accepting business, to ask for the number of the agent's license, or to telephone or write to this Department, and find out whether the person is entitled to transact business in the province.

At a meeting of the Board of directors of the Crown Life Insurance Co., held on Tuesday, Jan. 16. Sir Charles Hibbert Tupper, of Vancouver, was elected a director of the company. Sir Charles Hibbert is the son of the late Sir Charles Tupper, the first president of the Crown Life. He has been a shareholder of the company since its inception, and is keenly interested in its future progress.

NATIONAL LIFE MAKES GAINS IN MANY ITEMS

Issues Five Million and a Half in New Policies During the Year.

CO'S. ASSETS ARE INCREASED

A Good Showing Made in Statement of Disbursements, Which Are Substantially Less Than in Previous Year.

Like the other life companies which have already published returns showing the business done in 1916, the National Life Assurance Company, which held its annual meeting on Wednesday of last week, reports a year of progress. Applications for new assurance received totalled $6,603,750, compared with $5,361,550 in 1915. Policies actually issued and placed amounted to $5,457,957, as against $4,369,297 in 1915. And total insurance in force at the end of 1916 was $23,883,130, an increase of $2,688,975.

The company, as pointed out by the president, Elias Rogers, in his annual address, still adheres to its policy of limiting its insurance of individual lives to $10,000. The experience of 1916 was that applications received were, as a rule, for smaller average amounts than in previous years, the result being that there was a considerable increase in the number of policyholders and a reduction in the amount of re-insurance to place in other companies.

Limited Investments.

The National Life continues to limit its investments to Government and municipal bonds and debentures. These are now shown to possess a market value of $2,371,135, as compared with $2,083,855, the book value indicated in the return to the Government at the end of 1915. Investments made during the year are reported to have been made at a substantial discount and they will ultimately show a good profit. In connection with these securities, the National Life has gone to the trouble of securing opinions from five bond houses, each of which reports favorably on the character of the bonds.

The company's assets are found to have grown in value during the year from $3,339,124 to $3,630,194. It is pointed out that the amount of outstanding and deferred premiums included in the latter total is only $94,827, as compared with $154,615 last year. Had it been desired to show a larger surplus, from $60,000 to $70,000 more outstanding and deferred premiums might have been included, but it was decided to cut this item down to an absolutely certain amount.

Lower Disbursements.

It is further interesting to note that the disbursements for 1916 were over $27,000 less than in 1915. This result was achieved not so much in a reduction of expenses, but in a smaller net payment to policy-holders. Thus, while death claims increased from $104,973 to $117,204, all other payments to policyholders, including profits, were reduced from $105,776 to $93,862. At the same time there are other items in the table of expense that show reductions, indicating that the management has been conducting its enlarged business on less expensive lines. Thus, licenses, fees, and taxes were cut from $21,473 to $14,118; advertising from $7,038 to $5,359, etc.

An independent valuation of the outstanding policy obligations of the National Life was made at the end of the year by Miles M. Dawson, consulting actuary, who found that the net reserve liability by the Canadian Government standards, respecting the company's policies, was $2,875,977, after deducting for the reserves upon re-insurance and as otherwise authorized by the Dominion insurance law.

Some of the comparative figures in the company's statement may be set forth as follows:—

	1915.	1916.
Applications rec'd ...$	5,361,550	$ 6,603,750
Policies issued	4,309,207	5,457,957
Assurance in force ..	21,194,155	23,883,130
Premium income	725,804	807,677
Assets	3,339,124	3,630,194
Disbursements	559,826	532,377
Receipts	789,642	900,300
Average int. earned....	5.36%	5.50%

Western Assurance Company
(Fire, Explosion, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE, TORONTO, ONT.
Assets over - - - - $ 4,000,000.00
Losses paid since organization over - - $63,000,000.00
W. R. BROCK, President. W. B. MEIKLE, Vice-President and General Manager. C. C. FOSTER, Secretary.

Chief Office for Canada, TORONTO
LONDON & LANCASHIRE FIRE INSURANCE COMPANY
ALFRED WRIGHT, MANAGER

The Increasing Interest

in Life Insurance and increasing knowledge of the subject cause intending applicants to look more closely than ever into the ESSENTIALS of profitable protection.

The strength and progressive record of The Great-West Life, its investment success, its favorable Mortality and low expense rates, the liberal Policy provisions and measures of Service to Policyholders—all reach the most rigorous standard of comparison.

Ask for descriptive literature and rates, giving date of birth.

The Great-West Life Assurance Company
Dept. "G."
Head Office - Winnipeg
In requesting information ask for a Desk Calendar for 1917.

British America Assurance Co.
(Fire, Hail, Ocean Marine and Inland Marine Insurance)
HEAD OFFICE - TORONTO
BOARD OF DIRECTORS: W. R. Brock, President; W. B. Meikle, Vice-President and General Manager; Robert Bickerdike, M.P.; John Aird, Alfred Cooper (London, Eng.) H. C. Cox, D. B. Hanna, John Hoskin, K.C., LL.D., Z. A. Lash, K.C., LL.D., W. B. Meikle, Geo. A. Morrow, Augustus Myers, Lt.-Col. Frederic Nicholls, Col. Sir Henry Pellatt, E. R. Wood.
Assets, Over - - - $ 2,500,000.00
Losses Paid Since Organization Over - - $39,000,000.00

The UNION BANK OF AUSTRALIA, Ltd.
Established 1837. Incorporated 1880.
CAPITAL:—
AUTHORIZED and ISSUED £6,000,000
Paid-up Capital..£2,000,000
Reserve Fund....£1,960,000 Together £3,960,000
Reserve Liability of Proprietors.......£4,000,000
Total Capital and Reserve £7,960,000
Head Office: 71, CORNHILL, LONDON, E.C.
DIRECTORS.
HENRY P. STURGIS, Esq. (Chairman).
Arthur P. Blake, Esq.
The Rt. Hon. the Earl of Chichester.
John Dennistoun, Esq.
Hugh D. Flower, Esq.
Charles A. Galton, Esq.
S. R. Livingston-Learmonth, Esq.
William R. Mewburn, Esq.
The Hon. A. R. Mills, M.P.
Robert C. Nesbitt, Esq.
Frederick G. Parbury, Esq.
Sir Westby B. Perceval, K.C.M.G.
Manager—ARTHUR C. WILLIS.
Assistant Manager—WILLIAM J. ESSAME.
The Bank has 41 Branches in VICTORIA, 39 in NEW SOUTH WALES, 19 in QUEENSLAND, 14 in SOUTH AUSTRALIA, 22 in WESTERN AUSTRALIA, 3 in TASMANIA, and 44 in NEW ZEALAND. Drafts upon these Branches are issued by the Head Office, and may be obtained from the Bank's Agents throughout the world. Commercial and Circular Travelling Credits issued — available throughout the world. Cable Transfers are also made. Bills on the Australian States and Dominion of New Zealand are purchased or sent for collection.

ROYAL BANK OF SCOTLAND
Incorporated by Royal Charter 1727.
Paid-up Capital - - £2,000,000
Rest & undivided profits £800,986
Head Office
St. Andrew Square, Edinburgh.
Cashier and Gen. Manager, Adam Tait. Secretary, A. K. Wright.
London Office, 3 Bishopsgate, E.C.
Wm. Wallace, Manager.
Glasgow Office, Exchange Square.
A. Dennistoun, Agent.
167 Branches throughout Scotland

Banking business of every description transacted. Accounts opened and agency business undertaken for Foreign and Colonial Banks and other financial establishments. Bills, Cheques and other documents collected. Drafts, Circular Notes and Letters of Credit issued—available throughout the world. Cable transfers are also made. Deposits received at interest repayable at call or at notice. Correspondence invited.

DOMINION MILK CORPORATION, LIMITED.

PUBLIC Notice is hereby given that under the First Part of chapter 79 of the Revised Statutes of Canada, 1906, known as "The Companies Act," letters patent have been issued under the Seal of the Secretary of State of Canada, bearing date the 9th day of December, 1916, incorporating Gertrude Mary Jose, Ida Bergey, Kate Rebecca Broddy and Loretta Duggan, stenographers; Howard McLachie McCance, chauffeur; Leo Henry Baker, manager; William Howard Walter, student-at-law; Gordon Nicholas Shaver and Alexander Robertson Cochrane, solicitors; and George Duncan Egar, Esquire, all of the City of Toronto, in the Province of Ontario, for the following purposes, viz: (a) To carry on business as manufacturers and dealers in both wholesale and retail and producers of dairy, farm and garden produce of all kinds and of milk, cream, cocoa, chocolates and all beverages and all foods, composition and supplies into which milk and cream, chocolate or cocoa or any products of the same enter as component parts and food products of every kind and description; (b) To acquire by purchase or otherwise and work farms, ranches and any other property, real or personal for the purposes of the company; (c) To raise, kill and slaughter cattle and other farm animals for export or local trade as dressed beef or in cans; (d) To acquire by purchase or otherwise, erect, build and work refrigerator elevators, warehouses, abattoirs, machinery, works and appliances, cars, bottles, bottle-stoppers and boxes as may be necessary for the company's business; (e) To build, acquire, own, charter or lease, navigate and use steam or other vessels for the purposes of the company, also build and operate railway cars as the company's business may demand; (f) To manufacture and produce steam and gas and acquire, develop and utilize water-powers for the purpose of milling and for generating electricity for lighting, heating and motor purposes in connection with the buildings and other works of the company with authority to sell or otherwise dispose of any surplus of gas, electricity or power generated by the company's works and construct and operate lines for the sale and conveyance of such surplus power, subject always to all provincial and municipal laws and regulations in that behalf; (g) To carry on any other business (whether manufacturing or otherwise), which may seem to the company capable of being conveniently carried on in connection with its business or calculated directly or indirectly to enhance the value of or render profitable any of the company's property or rights; (h) To buy, sell, handle and deal, both wholesale and retail in commodities, articles and things of all kinds which can conveniently be dealt in by the company in connection with any of its objects; (i) To purchase or otherwise acquire any formulae, receipts, processes, letters patent, trade-marks, trade names or copyrights, relating to the products of the company, or any rights or interests in the same or in the mode of manufacturing or selling the same; (j) To apply for, purchase or otherwise acquire patents, concessions and like conferring any exclusive or non-exclusive or limited right to use of any secret or other information as to any invention which may seem capable of being used for any of the purposes of the company or the acquisition of which may seem to benefit the company and to use, exercise, develop and grant licenses in respect to or otherwise deal with all or any of the same; (k) To apply for, acquire and enjoy any concessions, franchise, right, privilege or power which any government or public authority, federal, provincial, municipal or local or any corporation or other public body may be lawfully empowered or authorized to make or grant; (l) To promote or assist in the promotion of any company or companies carrying on business similar in whole or in part to that of this company; to act as agents for any company, partnership or person carrying on a similar business, and to carry on any other business, whether manufacturing or otherwise, which may seem to the company capable of being conveniently carried on in connection with any of the above businesses or objects, or calculated to enhance the value of or render profitable any of the company's property or rights for the time being; (m) To purchase or otherwise acquire and undertake all or any part of the assets, business, property, privileges, contracts, rights, obligations and liabilities of any person or company carrying on a business similar thereto or possessed of property suitable for the purposes thereof or which is capable of being conveniently carried on in connection with the business of which the company may be hereby empowered to purchase, lease, or otherwise acquire, and to pay for the same in stock, bonds, debentures or securities of the company; (n) To amalgamate with any other company having objects similar to those of this company; to lease, sell, improve, manage, develop, exchange, turn to account or otherwise dispose of or deal with the property and assets of the company or any part thereof for such consideration as the company may deem fit, including shares, debentures or securities of any company; (o) To enter into partnership or into any arrangement for sharing of profits or union of interests with any person or company carrying on or engaged in or about to carry on or engage in any business or transaction which the company is authorized to carry on or engage in or any business or transaction capable of being conducted so as to directly or indirectly benefit the company, and to make advances to, guarantee the contracts of or otherwise assist any such person or company, and to take or otherwise acquire shares and securities of any such company, and sell, hold, re-issue, with or without guarantee, or otherwise deal with the same; (p) To distribute among the members of the company in kind, shares, debentures, securities or property belonging to the company; to take or otherwise acquire and hold shares in any other company having objects similar to those of the company or carrying on any business which is germane to the objects for which the company is incorporated; (q) To issue shares of the company as paid up in payment of any assets purchased by the company or, with the approval of the shareholders, for services rendered or for any other consideration which may be deemed just and sufficient by the directors; (r) To take, or otherwise acquire and hold shares in any other company having objects altogether or in part similar to those of the company or carrying on any business capable of being conducted so as directly or indirectly to benefit the company; (s) To sell or dispose of the undertaking of the company or any part thereof for such consideration as the company may think fit and in particular for shares, debentures or securities of any other companies having objects altogether or in part similar to those of the company; (t) To remunerate any person or company for services rendered or to be rendered in placing or assisting to place or guaranteeing the placing of any shares in the company's capital or any debentures or shares of the company or in or about the formation or promotion of the company or the conduct of its business; (u) And generally to do all acts and exercise all powers and carry on all business incidental to the carrying out of the objects for which the company is incorporated; (v) To pay out of the funds of the company all expenses of and incidental to the incorporation and organization of the company. The operations of the company to be carried on throughout the Dominion of Canada and elsewhere by the name of "Dominion Milk Corporation, Limited," with a capital stock of one million two hundred and fifty thousand dollars, divided into 12,500 shares of one hundred dollars each, and the chief place of business of the said company to be at the City of Toronto, in the Province of Ontario. Dated at the office of the Secretary of State of Canada, this 13th day of December, 1916.

THOMAS MULVEY,

Under-Secretary of State.

REAL ESTATE

TORONTONIANS BUILT MANY GARAGES LAST YEAR

Erection of Over 800 an Indication of Prosperity.

ANALYSIS OF 1916 BUILDING

Industrial Expansion An Important Feature of the Year's Developments, Many New Factories Being Erected.

As an indication of the prosperity which is flooding the country at present, it is significant that in Toronto alone over eight hundred garages were erected last year. This is the figure given out by City Architect Pearse in his analysis of the 1916 building permits issued by his department. Naturally the value of the garage permits was comparatively small, the aggregate falling slightly under three hundred thousand dollars, but it goes to show that the people generally have plenty of money to spend on automobiles.

Factory and dwelling house construction was carried on during the year on a considerable scale. There were 43 new factories started, permits for which amounted to $1,322,252, while additions or alterations were made to 178 factories at a cost of $435,902. The greater portion of these sums was spent for the expansion of standard industries or the establishment of new ones and not for munition factories. The latter are usually temporary buildings and do not run into much money.

It is satisfactory to note that over a million and a half dollars' worth of permits were issued in connection with the erection of brick dwellings and that the number of these houses ran as high as six hundred. Including alterations and additions to existing buildings, over two million dollars was spent on housing.

There is little indication of a let-up in building in Toronto during the present year, and it is expected that 1917 will be fully up to 1916. The prospect that the new Eaton store at College and Yonge streets, may be started during the year, will give a huge boost to the permits. It is stated that a beginning will be made with the erection of one section of the store, 250 x 250 feet and eight stories in height, which would call for an expenditure of about two million dollars.

WINDSOR.

A Large Number of Permits Being Issued for Workmen's Dwellings.

It is reported from Windsor that building operations for the year are starting off most favorably. While no permits have been issued for the construction of large buildings, such as make imposing totals at the end of the month, a large number are being issued for workingmen's houses, which are badly needed in the city.

WESTERN FARM LANDS

Sale of Half-section in the Vegreville Section Brings Good Price.

As evidence that improved farm lands in Western Canada command good prices when offered for sale, a reported transfer in the Vegreville section of Alberta merits attention. The John G. Forbes' farm at Warwick, consisting of the south half section of 2-54-14, the greater part of which is under cultivation, was sold since the first of the year by the Vegreville Land Company to William J. Campbell, of Ashmont, for $12,000. The farm buildings are reported to be exceptionally good and this, combined with the excellence of the farm itself, is said to account for the high price received.

A TORONTO TRANSFER.

Four and a Half Acres on Bloor St. Bought for Factory Site.

Negotiations for the sale of the old Dunlop Estate, at the corner of Bloor street and Lansdowne avenue, to the Turnbull Elevator Company, John street, have just been completed by the real estate firm of Goulding & Beemer, Toronto, the consideration being $106,000. The property which adjoins the northern division of the Grand Trunk Railway, was subdivided some years ago, and a partion of the land was sold, several houses being erected thereon. The unsold portion, with a frontage of 250 feet on Bloor street and 125 feet on Lansdowne avenue, consists of four and one-half acres. The Turnbull Elevator Company, which has a considerable plant on John street engaged in the manufacture of elevators and the handling of war orders, will erect a new factory on the purchased property after the war, or when business conditions warrant the venture.

TORONTO.

New Office Building to be Erected on Adelaide Street.

A new office building and warehouse will be erected on the south side of Adelaide street, just west of Bay, by S. Frank Wilson & Sons, publishers.

Plans for the building are not yet complete, but according to present intentions, it will be either of brick and steel, or concrete and steel construction, 68 by 200 ft., and probably nine storeys high.

LAND SPECULATION IS GOOD FOR THE COUNTRY

Writer in New York Sun Says That Sections Are Thus Opened Up Which Would Otherwise Have Remained Wilderness.

Stephen B. Yates, one of the best known land developers on Long Island, sees much good in the country-wide speculative land movement. New York is not feeling as much of this as some of the other large cities of the country for the reason that New York's land movement was launched years ago. Mr. Yates said that "The land movement of one age is the investment of the next.

"Speculation in suburban lots is no wilder than speculation in many other commodities. The boom in wild western farm lands in the '30's, when the exodus to the Middle West began, was every bit as rabid as any lot speculating scheme on Long Island was ten years ago, or in The Bronx, for that matter.

"Washington Irving, the great author, took part in the land boom in Michigan when that State was a wilderness, and he then made the point that is made now, that speculative fever is superseded by investment movements.

"Irving said he looked upon extravagant land speculations as incident to that spirit of enterprise natural to a young country in a state of rapid and prosperous development; a spirit which, with all its occasional excesses has given our nation an immense impulse in its onward career and promises to carry it ahead of all the nations of the globe. There are moral as well as physical phenomena incident to every state of things which are devised by an all-seeing Providence for some beneficent purpose. Such is the spirit of speculative enterprise which now and then rises to an extravagant height and sweeps throughout the land.

"It grows out of the very state of our country and its institutions and, though sometimes productive of temporary mischief, yet leaves behind it lasting benefits. The late land speculations, so much deprecated, though ruinous to many engaged in them, have forced agriculture and civilization into the depths of the wilderness, have laid open the recesses of primeval forest; made us acquainted with the most available points of our immense interior; have cast the germs of future towns and cities and busy marts in the heart of savage solitudes and studded our vast rivers and internal seas with ports that will soon give activity to a vast internal commerce. Millions of acres which might otherwise have remained idle and impracticable wastes have been brought under the dominion of the plough. All this has in a great measure been effected by the extravagant schemes of land speculators.

"If Washington Irving," continued Mr. Yates, "saw such fruitful results from land speculation, what would he now think of the substantial land developers of Nassau county—where he often sojourned—who are building and selling homes for all year occupancy?"

"One of Mr. Irving's haunts in the '40's was Craig Manor Inn," said Mr. Yates, "a historic structure at Baldwin Harbor. There he met other congenial celebrities, among them Daniel Webster, who was instrumental in having Irving appointed Minister to Spain."

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MURAD CIGARETTES

TO-DAY—

at this very hour—more smokers are trying Murads for the first time than all other high-grade cigarettes combined.

Almost 100 per cent of these new Murad smokers continue Murad smokers.

What is happening to-day has happened every day since Murads were first introduced.

What is responsible for this?

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S. Anargyros

Everywhere — Why?

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D'HOCHELAGA BANK INCREASES ITS CAPITAL

Authorized to Issue $10,000,000—Formerly Was $4,000,000.

AN AGGRESSIVE POLICY

Despite Generally Depressed conditions, Development of New Fields is Indicated—Steady Increase in Branches.

At the annual meeting of the Banque d'Hochelaga, the shareholders authorized an increase in the capitalization from $4,000,000 to $10,000,000. It is not the intention to issue any more stock at the present time. The increase appears to be in line with the aggressive policy which the bank has been following for some years, as particularly indicated by the increasing number of branches. During the last year there were opened 14 branches and 16 sub-agencies, despite the generally depressed conditions prevailing as regards banking development. There are now over 140 branches and agencies, which compares with 43 in 1912. The development has been largely in the Province of Quebec, where there have been over 80 new branches opened in the period referred to. There has been little tendency to expand in the Western provinces. The principal features of the company's statement have already been reviewed, and THE POST'S complete analysis of the detailed figures is presented herewith:

Immediately Available Liquid Assets.	1916.	1915	Change
Specie .....$	292,592	$ 360,561+	$ 32,031
Dom. notes.	3,953,468	2,857,730+	1,095,728
Note cir. dp.	171,467	166,478+	4,989
Notes Bank	259,562	251,446+	8,116
Bank bal...	925,599	133,622+	791,977
do abroad	1,715,535	728,279+	987,256
Gov. sec ...	896,484	687,140+	209,344
Cheques ...	1,294,929	978,981+	315,948
Gold res....	700,000	.......+	700,000
	$10,309,636	$ 6,164,237+	$4,145,399
% tl. assets	24.62	18.00	
% tl. liab. to public	30.30	22.40	
Other Assets.			
Pub. sec. ..$	3,677,635	$ 1,640,259+	$2,037,376
Others secs.	304,307	325,976—	21,669
Call loans..	1,686,054	1,684,600+	1,454
Current ...	22,259,301	21,260,373+	998,928
Municipal .	1,275,724	1,323,705—	47,981
Overdue d'ts	148,255	225,973—	77,718
Lets. cred..	54,320	49,010+	5,320
Real estate.	227,075	178,133+	48,942
Mortgages .	106,075	58,958+	47,575
Bank prem.	1,557,402	1,412,951+	144,451
Other assets	255,275	191,698+	63,577
	$31,551,891	$28,351,636+	$3,200,255
Tl. assets..	$41,861,527	$34,515,873+	$7,345,654
Liabilities to Public.			
Circulation	$ 4,154,382	$ 3,221,302+	$ 833,080
Demand dp.	5,338,234	3,926,681+	1,411,553
Sav. dep...	24,242,306	18,997,255+	5,245,051
Due banks .	....	207,298—	207,298
Due else...	234,728	180,005+	54,723
Accepts. ...	54,330	49,010+	5,320
	$34,023,980	$26,081,551+	$7,242,429
Liabilities to Shareholders.			
Capital ....$	4,000,000	$ 4,000,000	$........
Reserve	3,700,000	3,700,000	....
Dividends .	94,836	93,700+	1,136
Balance ...	42,711	40,622+	2,089
	$ 7,837,547	$ 7,834,322+	$ 3,225
Tl. liabil...	$41,861,527	$34,515,873+	$7,345,654

It may be noted that of the total increase of assets, amounting to $7,345,654, $4,145,399 was added to the immediately available, increasing the percentage in relation to total assets from 18 to 24.62, and to total liabilities to the public from 22.40 to 30.30. Every item of the first line of assets showed increase, the most interesting being $1,095,738 in Dominion notes and $32,031 in specie, in addition to $700,000 deposited in the central gold reserve. There was an increase of $987,256 in balances due by banks and banking correspondents elsewhere than in Canada, and $791,977 in balances due by other banks in Canada.

In other assets, the holdings of public securities showed an increase of $2,037,376, which may be taken to indicate the part the bank is taking in financing British munitions orders in Canada. There was an increase of $998,928 in current loans and of $144,451 in bank premises, the latter being a reflection of the opening of new branches. In liabilities, increases in demand deposits of $1,411,553 and in savings deposits of $5,245,051 are shown, while the increased use of money is indicated in a rise of $833,080 in circulation.

The Earnings Record

The bank's profits for the year of $546,011, which have been previously analysed, represented 13.6 per cent. on the capital and 7 per cent. on the investment. Comparisons follow:

RECORD OF EARNINGS.

	Profits	% on Capital	Div. Paid	% on Invest.
1916	$ 546,011	13.6	9	7.0
1915	530,237	13.2	9	6.8
1914	566,614	14.1	9	7.3
1913	534,700	13.3	9	7.0
1912	481,616	16.0	9	8.0
1911	415,000	16.6	8¾	8.0
1910	417,697	16.7	8	8.3

HALIFAX TRAM TAKEN OVER BY NOVA SCOTIA CO.

Montreal Interests Now in Control, Offer 203½ for the Outstanding Shares.

It was announced at the close of last week that the Halifax Electric Tramway Company had been formally taken over by the Nova Scotia Tramways and Power Company. This is the consummation of negotiations and contests with the city and in the legislature that have been going on for about four years. It now goes into effect with hardly a murmur of dissent.

Twenty years ago the stock of the Halifax Electric Tramway Company could have been bought at $15.00 a share. To-day the new proprietors are offering $203.50. E. A. Robert and his associates have all of the 14,000 shares except 2,500 which are still held outside that group. The Nova Scotia Tramways and Power Company are offering, under the authority of the Public Utilities Commission, the sum mentioned to shareholders of the old company or they can take it in securities of the new corporation on the basis of 75 per cent. of par for fully paid preferred shares and 40 per cent. of par for fully paid ordinary shares. The sum of $103.50 per share is payable on or before the 12th day of April, 1917, and $100.00 per share on the 20th day of September, 1917.

A circular from H. R. Mallison, secretary of the Nova Scotia Tramways and Power Company, states that the applications of shareholders in Halifax Electric Tramway Company for shares in Nova Scotia Tramways and Power company are to be treated as applications for preferred shares in the first instance and upon the issue of preferred shares being exhausted any additional shares necessary to fill the applications will be alloted in common shares pro rata.

One of the first acts of the new company was to order an increase of pay to conductors and motormen equal to about ten per cent., or two cents per hour all round. This will mean a pay roll of from $8,000 to $10,000 for the same number of men as are now employed. The present wage agreement does not expire untill May 1st next but this increase goes into effect as from January 1st, 1917.

The officers and directors of the new company are: president, E. A. Robert, Montreal; vice-president, O. E. Smith, Halifax; directors, F. H. Wilson, J. W. McConnell, W. G. Ross, Montreal; P. J. MacIntosh, New York; H. H. Smith, W. H. Covert and H. R. Mallison, Halifax.

BUYS QUEBEC BANK.

Montreal Trust Company Will Have New Head Office.

At the annual meeting of the Montreal Trust Company, held on Tuesday, it was announced that the company had acquired the building on Place d'Armes formerly used by the Quebec Bank as their head office. The building is better known as the Montreal Life building. It will be used by the Montreal Trust as their head office, and they will move into it very shortly. The basement quarters, formerly occupied by the Dominion Trust Co., will be used by the transfer department, while about half of the ground floor will be used for the other purposes of the company. The Royal Bank branch will be continued there at present.

The Montreal Trust had another very successful year, the net profits being $160,780, which, with the balance brought forward, brought the total up to $211,915. $80,000 of this amount was distributed in dividends; $50,000 transferred to reserve; $6,579 paid in war taxes, and $5,000 given to the Patriotic Fund. The balance was added to profit and loss account, which now stands at $70,336. The usual dividend of eight per cent. was declared.

Sir Frederick Borden left an estate of about $125,000. He did not leave a will.

BETTER PROFITS AND BUSINESS OF NATIONAL TRUST

Earnings for 1916 Were 15.7 Per Cent. on the Capital.

ASSETS INCREASE $10,000,000

Satisfactory Growth of Estates, Trust and Agency Account—Holdings of Securities Also Considerably Larger.

A continued development of the business of the National Trust Company in the direction of estates under administration was one of the outstanding features of the very satisfactory annual statement which this week reached the shareholders. The increase in assets for the year is almost $10,000,000, the total of the capital account, guaranteed trust account and estates, trust and agency account being $69,197,054, of which $58,651,782 was on the latter. A year ago the assets were placed at $59,332,485, which represented an increase of about $7,600,000 over 1914. There is considerable increase in holdings of securities, as indicated in the guaranteed trust account, while capital account has increased by over $34,000. Following are comparative figures of the main departments:—

	Capital Account	Guaranteed Account	Estates etc.
1916	$3,174,174	$7,371,097	$58,651,782
1915	3,140,543	6,986,333	49,205,608
1914	3,139,890	6,521,702	42,033,086
1913	3,113,501	6,527,244	34,874,756
1912	2,017,521	6,701,170	28,880,076
1911	2,949,321	5,946,810	19,348,480
1910	1,816,473	5,699,239	16,541,398

The net profits at $236,254 were a very satisfactory feature, showing a recovery from $229,152 in the last report to almost the equal of the showing of $237,869 in 1914. Payment of dividends, subscriptions to patriotic funds and provision of $50,000 written off office premises, left a considerable surplus, the total now being $96,314, as compared with $73,560. Following are comparative figures:—

	1916.	1915.	1914.
Net profits	$236,254	$229,152	$237,869
Balance For'd ..	73,560	54,657	16,788
Total	$309,814	$283,810	$254,657
Dividends	150,000	150,000	150,000
Office premises .	50,000	50,000	50,000
Subscription Red Cross Account.	13,500	10,250	....
Reserve	....	....	....
Balance	96,314	73,560	54,657
	$309,814	$283,810	$254,657

The earnings on capital were 17.7 per cent., compared with 10 per cent. paid in dividends. Following are comparative records, together with the market quotations since 1906. The level of 223 indicated during 1915 represents the minimum established on the outbreak of the war. During the last period the minimums were dispensed with. At the price of 210, shown in 1916, the return is about 4.8 per cent.

Year	Net Profits	% on Cap.	Div.	Stock High	Stock Low
1916	$236,254	15.7	10	210	210
1915	229,152	15.2	10	223	223
1914	237,869	15.8	10	230	225
1913	252,022	16.8	10	225	220
1912	242,942	16.2	10	214	205
1911	218,602	15.4	10	206	204
1910	181,761	18.1	9	204	192
1909	160,779	16.0	8	200	170
1908	138,522	13.8	8	150	145
1907	132,828	13.3	7	160	157
1906	122,422	12.2	7	157	155

A BIG WATER PROJECT.

Border Municipalities in Essex County May Vote on Joint System.

160

If the latest recommendation of Maurice Knowles, engineer for the Essex Border Utilities Commission, and the United States Steel Corporation, relative to the construction of a joint water system for the border municipalities, is adopted by the commission, ratepayers of the towns and cities interested may be asked to vote on a $1,851,500 project.

The estimate for a system with a capacity of 17,000,000 gallons of water daily is $1,610,000. To this is added for engineering and contingent expenses the sum of $241,500. The annual cost of maintenance and operation is estimated at $209,160. This would make the cost per gallon per annum about $33.70. The cost per capita is figured at $1.90 per year, including debenture interest on $2,000,000, but this estimate is for the year 1930, when the population will be 110,000. Furthermore, the engineer's figures do not include the cost of distribution in each municipality, the scheme outlined being only for a joint system from which the different towns would take water, each one looking after its own distribution.

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THE CANADIAN
NEWSPAPER
FOR INVESTORS

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Forty-Eighth Annual Meeting of the Royal Bank of Canada

Sir Herbert Holt, President, Refers to Principal Problems Canada Must Be Prepared to Deal With in the Post War Period.

Mr. Edson L. Pease, Managing Director, Deals With Marvellous Strides Canada Has Made During Past Year and Assistance Given to the Government by Canadian Bankers' Association.

Mr. C. E. Neill, General Manager, Pays Tribute to the Record of the Staff of the Bank Overseas and Draws Attention to the Necessity of Making Provision For Them on Their Return.

The Forty-Eighth Annual General Meeting of the Shareholders was held at the Head Office of the bank in Montreal on Thursday, January 11th, at 11 o'clock a.m., Sir Herbert S. Holt in the chair.

Mr. W. B. Torrance acted as secretary of the meeting, and Messrs. A. Haig Sims and Alex. Paterson as scrutineers.

The Directors' Report was read by the General Manager, Mr. C. E. Neill.

DIRECTORS' REPORT.

The Directors have pleasure in submitting to the shareholders the Forty-Seventh Annual Report, for the year ending November 30, 1916, accompanied by the Statement of Assets and Liabilities.

The assets of the bank have recently been subjected to the usual careful revaluation.

Your Directors record with deep regret the death of their late colleagues, Mr. Wiley Smith, His Honor Lieutenant-Governor MacKeen, and Mr. T. J. Drummond. Mr. Wiley Smith ,and Governor MacKeen were the Directors of longest standing, having served continuously on the Board for twenty-eight and twenty-one years, respectively. Mr. Drummond joined the Board in 1909. The vacancies were filled by the appointment of Messrs. M. B. Davis and G. H. Duggan, of Montreal, and Mr. C. C. Blackader, of Halifax.

On October 5th last we concluded an agreement with the Directors of the Quebec Bank to purchase the assets of that Bank, for a consideration of 9,117 shares of this bank and $683,775 in cash. This was ratified by the shareholders of the Quebec Bank on the 28th of November. The approval of the Governor-in-Council was obtained in due course, and the assets were transferred on January 2nd. By this purchase we have acquired on satisfactory terms, assets approximating $22,000,000.

In addition to the thirty-five Quebec Bank branches added to our list, offices were opened during the year as follows: In ONTARIO—Church St., Toronto; in NEW BRUNSWICK—Buctouche, Richibucto; in NEWFOUNDLAND—Heart's Content, Placentia; in CUBA—Palma Soriano; in COSTA RICA—Limon; in the DOMINICAN REPUBLIC—Sanchez, Santiago de los Caballeros; in VENEZUELA—Caracas. A sub-branch has been opened at Keewatin, Ont.

Fifteen of the Quebec Bank branches were closed when the transfer took place, and our branches at the following points were closed during the year: In ALBERTA—Athabasca, Plairmore, Namayo Ave., Edmonton; in SASKATCHEWAN—Luseland; in ONTARIO—Dundas St., Toronto, Gerrard and Main, Toronto; in QUEBEC—Beaumont St., Montreal, Terrebonne. We have also closed the sub-branches at Bentley, Blackfalds and Peace River, West Side, Alta., and Copetown, Ontario. Sutherland, Sask., branch has been changed from an independent branch to a sub-branch.

The Head Office and all our branches of the bank have been inspected as usual during the year.

Your Directors desire to express their appreciation of the efficient manner in which the officers of the bank continue to perform their respective duties.

All of which is respectfully submitted.

H. S. HOLT, President.
E. L. PEASE, Vice-President.

GENERAL MANAGER REVIEWS STATEMENT.

The General Manager, Mr. C. E. Neill, then referred to the Annual Statement as follows:—

The Balance Sheet before you is the best ever submitted to the shareholders, and shows striking progress in all departments of the bank's business during the past year.

Total deposits now exceed $200,000,000, the increase for the year being no less than $45,000,000. 42 per cent. of the advance was in the Savings Department. It is a satisfactory feature that these figures include no large or unusual deposits of a temporary nature.

Our note circulation is approximately $4,000,000 higher, and exceeds the paid up capital of the bank by over $6,000,000. The excess is covered by a deposit in the Central Gold Reserve.

Current loans show a moderate expansion. In Canada the increase is $4,931,759, due chiefly to the acquisition of new accounts, and temporary loans to customers producing munitions of war. Commercial loans abroad are higher, on account of the active demand in the West Indies in connection with the production of sugar and other staple commodities. These loans will decrease substantially during the next two or three months.

The liquid position of the bank has been well maintained, liquid assets being 53.24 per cent. of liabilities to the public, as compared with 49.03 per cent. last year.

The increase in investments represents subscriptions to British Government loans, the proceeds of which were to a great extent expended in this country.

Net profits for the year were 17.87 per cent. on the capital, as compared with 16.48 per cent. last year; or 8.66 per cent. on combined capital and reserve, as compared with 7.90 per cent. last year.

The year's remarkable results are attributed to four causes—prosperous conditions in Canada and the West Indies, the advantageous location of our branches, co-operation on the part of the Directors, and a loyal and efficient staff.

PRESIDENT'S ADDRESS.

In moving the adoption of the Directors' Report, Sir Herbert S. Holt, President, said:

In view of the comparative uncertainty with which Canada necessarily looked forward to the year just passed, it is specially gratifying to be able to present so excellent a statement as that before you to-day. It undoubtedly excels any previous exhibit. Our total assets have increased during the year fifty-five million dollars. Seven years ago there were sixty-seven millions; to-day they are two hundred and fifty-three millions.

In keeping with the fixed policy of the bank, the ratio of liquid assets to liabilities to the public has been maintained at a high percentage. The rate at the close of the year was 53.24 per cent., against 49.03 per cent. at the end of the previous year. No matter how rapid the bank's extension, we have not in the past departed from this cardinal principle, and we do not intend to in the future.

We are not singular, however, in respect of the year's growth. The wonderful prosperity of the country was reflected in the assets of Canadian banks in general, the total increase amounting to two hundred and fifty-five millions. This prosperity is not confined to those engaged directly or indirectly in the supplying of war materials. It is widely diffused, as may be seen by the record bank clearings. the congestion of railway traffic, the general activity in every department of wholesale and retail trade, and the great volume of exports. Labor is scarce and never commanded higher wages. Commodity prices have attained a level comparable only with civil war times in the United States. The following is a statement of some present prices compared with those of twelve months ago.

	1915	1916
Wheat, per bushel,	$1.00-$1.10	$ 1.70(av)
Copper Ingots, per lb.,	.20½	.31-32
Pig Iron, per ton,	25.00	41.00
Steel Billets, per ton,	42.60	50.20
Steel Rails, per gross ton,	28.00	38.00
Structural Steel, per ton—bars	54.60	76.20
Structural Steel, per ton—plates,	56.00	99.00
Structural Steel, per ton—shapes,	48.40	77.60
Staple Cotton, per lb.,	.12	77.60
Wool, per lb., Lincoln Clothing,	.38	.55-60
Wool, per lb., South Downs,	.46	.75
Wool, per lb., Merino,	.70	1.25
Sole Leather, per lb.,	.41	.63
Print Paper, per ton,	40.00	60.00
Wood Pulp, per ton,	15.00	40.00
Sulphite, per ton,	38.00	100.00

The list might be extended indefinitely. Abnormally high prices are enriching the producer and manufacturer, but profits are not so large as might appear on account of material increases in the cost of production.

POST-WAR CONDITIONS.

Meanwhile, the liabilities of manufacturers and others to their bankers have greatly reduced—in many cases wiped out—and large credit balances created. This is a very satisfactory situation, as working capital now accumulated will be of great utility on the return of peace. We should bear in mind that there is no permanence in war prosperity; that it is war business which has so accelerated the wheels of industry; and the termination of this must react on industrial activities with far-reaching results. Factories employed exclusively in this connection will close down. Kindred industries stimulated by high prices will suffer by the establishment of more ordinary conditions. Exports will decline as Europe imports less, and commodity prices will recede. Labor will become a glut on the market, aggravated by the return of soldiers in large numbers. All this appears certain to follow the establishment of peace, and the longer the war endures the more drastic will be the depression, because of the greater economic exhaustion of Europe and the effect upon her buying power. We have already seen the stock markets convulsed by a most improbable suggestion of peace.

However, after the first shock of readjustment, we may expect a great demand for our farm products, building material, farming implements, etc., etc., in the rehabilitation of Europe. Pending this demand and in preparation for depression in business that must occur the prudent man will put his house in order.

The war is now in its third year and prospects of peace in the near future are not bright, but the people of Canada are increasingly determined to help at any cost to bring about a complete victory for the Allies.

QUEBEC BANK.

The Quebec Bank, incorporated in 1818, whose assets we have recently acquired, was one of the oldest banks in Canada. Until a few years ago its operations were confined to Ontario and Quebec — principally to Quebec, in which province it had a valuable connection. As we had very few branches in this province, the acquisition of their connection was specially desirable. Our branches now number over 400. The fifteen Quebec Bank branches closed by us were located mostly in leading western cities where we are duplicated, and the resultant saving will be considerable. The closing of these offices gave us over one hundred men, of whom we were in great need to supplement the staff at other offices.

You will be asked to-day to pass a resolution increasing the number of directors from seventeen to twenty, in order to include three of the Quebec Bank Directors.

You are aware that the capital was rounded off to $12,000,000 during the year by the issue of 4,400 shares allotted to the shareholders at par. The issue of shares in connection with the Quebec Bank purchase has placed it again at an odd figure, namely $12,911,700. As the outstanding circulation of this bank and the Quebec Bank at the highest point in December last was approximately $10,000,000 in excess of the present paid up capital, it may become expedient to increase the capital further. It is expected, however, to make no issue before the end of the war, or until conditions warrant an increase on terms favorable to the shareholders.

Last winter six of your directors, including the Managing Director and myself, made a tour of inspection of our branches in the South. None of us had previously visited any branch south of Cuba. We returned most favorably impressed with the excellent connection acquired in Cuba, Porto Rico, Santo Domingo, Costa Rica and the British West Indies by many years of patient work. It was distinctly advantageous to obtain a personal knowledge of local conditions, and to meet our leading customers. We were pleased with the buildings erected by the bank and our locations in general, and were happy to learn that the bank is held throughout the South in the highest esteem.

We also visited the Republics of Venezuela and Colombia. Since then we have opened one branch and will open two others forthwith in Venezuela, where the outlook is promising. We were gratified to receive from Viscount Grey, the late Foreign Secretary. his approval of the establishment of branches in that country, and a promise of support from the British Government.

MANAGING DIRECTOR DEALS WITH GENERAL SITUATION.

In seconding the motion for the adoption of the Directors' Report, Mr. E. L. Pease, Vice-President and Managing Director, said:

"The President and General Manager having reviewed the bank's position, I shall refer briefly to some aspects of the general situation. The financial and economic strength developed by Canada since the beginning of the war is little short of marvellous. In the first seventeen months she evolved from a debtor to a creditor country, with a balance of $206,706,000 in her favor. In the past twelve months the balance has reached $329,000,000. More remarkable still is the transition from an habitual borrower in London to a lender to the Imperial Government, coincident with the raising of large domestic loans.

In July, 1914, before the war, the percentage of liquid assets of the associated banks to their liabilities to the public, as it is commonly determined, was 43.34. On November 30, 1915, this percentage stood at 50.85, and on November 30, 1916, at 55.73. During the period between November 15, 1915, and December 15, 1916, the Dominion Government floated two domestic loans of $100,000,000 each, the first of this character put out in Canada. The banks underwrote $25,000,000 of the first loan and $50,000,000 of the second, but were relieved of the latter underwriting, as public subscriptions aggregated $200,000,000. Despite withdrawals of savings for investment in these loans, and the fact that during the same period the Canadian banks advanced the Imperial Government $100,000,000 (expended for munitions of war in Canada and still current), their combined deposits on November 30th last were $232,000,000 greater than at the beginning of the year, and the liquid percentage was higher. Of the increase in deposits $122,000,000 was in the Savings Department in Canada. This extraordinary showing is due to large expenditures for munitions; to a rich harvest; to the sale of surplus wheat (estimated at 30,000,000 bushels), from the previous year's bumper crop at very high prices; and to the sale in the United States of $75,000,000 Dominion Government and $75,000,000 miscellaneous securities. It is probable, however, that a large proportion of these security sales represented renewals of obligations. Be that as it may, the accession of national wealth has been great.

It was a wise and courageous departure of the Government to take advantage of the great improvement in the monetary situation in Canada to float internal loans. The vigorous response by the public was a general surprise, both offerings being subscribed for twice over. The benefit of the investment of the country's savings in our own Government bonds is obvious. It is estimated that not over $35,000,000 of these issues went to American investors. Another notable feature of the times is the loan of $100,000,000 made by the associated banks during the year to the Imperial Government on Treasury Bills at twelve months' date for the purpose of purchasing munitions. Since the close of our fiscal year $20,000,000 additional at six months' date has been advanced by a syndicate of six banks, including ourselves, for the purpose of buying wheat and storing it over the winter. A further munitions credit of $50,000,000 having a currency of twelve months has also been recently extended. The affording of credits to the Imperial Government will have a very beneficial influence on Canadian finance, and the possession of short date British Treasury Bills will place the banks after the war in a very strong position.

CO-OPERATION GIVEN BY CANADIAN BANKERS' ASSOCIATION.

The great factor in support of the financial situation in Canada since the beginning of the war has been the collaboration of the chartered banks, through the intermediary of the Canadian Bankers' Association, with the Minister of Finance. They may be depended upon to co-operate loyally in assisting the Minister to the utmost limit, having due regard to the needs of commercial borrowers and the maintenance of proper liquid reserves, in his arduous task of financing Canada's war. The banks are also co-operating with the Minister of Agriculture in his praiseworthy efforts to increase production and expand the country's live stock trade. To this end liberal advances are being extended to breeders of cattle. As a result of their combined action, the Department of Agriculture has been instrumental in turning back to the farms of Western Canada from Winnipeg and other stock yards in the last three months over 9,000 head of cattle and 1,400 sheep, which would otherwise have been slaughtered or shipped to the South. It is interesting to note the large diversion of cattle from the Winnipeg Stock Yards to the prairies instead of to the United States. In 1915, 44,975 head were shipped South; in 1916, only 21,124. In 1915, there were shipped from the Winnipeg Stock Yards to the prairies 9,380, and in 1916, 29,246. Likewise, the Minister of Trade and Commerce will receive the hearty support of the banks in his campaign to develop our foreign trade in preparation for after-war competition. It will be seen that the Canadian Bankers' Association is endeavoring to further the interests of the community by every means in its power, and I am pleased to say that at no time in its history has there been greater unanimity among the members.

Compared with the marvellous crop of 1915, the harvest of last year was very disappointing in volume, but in value it approached the previous year, owing to the abnormal prices which prevailed. A small crop with high values it not so beneficial on the whole as a large crop with lower values, as the proceeds of the larger crop are more widely disseminated. The farmer received unusual returns last year, and no one will begrudge the wealth which has come to him. High prices for all grains prevailed from the beginning of the harvest. Usually prices rule lowest during the harvest.

Canada's wonderful progress during the year is summarized in the following comparative statistics:

	1915	1916		
Value of field crops—(Dec. 31)	$797,669,000	$729,346,000	Dec.	$68,323,000
Railroad Earnings—(June 30), 12 months	210,000,000	258,000,000	Inc.	48,000,000
Bank Clearings—(Dec. 31)	7,796,781,000	10,557,188,000	Inc.	2,760,407,000
Note Circulation—(Nov. 30)	124,153,000	148,198,000	Inc.	24,045,000
Chartered Banks—Deposits—(Nov. 30)	1,288,985,000	1,521,349,000	Inc.	232,364,000
Chartered Banks—Current Loans—(Nov. 30)	881,101,000	927,399,000	Inc.	46,298,000
Exports—Merchandise—(Nov. 30), 12 months	598,742,000	1,073,509,000	Inc.	474,767,000
Imports—Merchandise—(Nov. 30), 12 months	435,342,000	744,403,000	Inc.	309,061,000
Customs Receipts	87,618,000	136,160,000	Inc.	48,542,000

Our foreign trade last year, you will observe, exceeded $1,800,000,000, being nearly double the amount for the previous year, and nearly two and a half times as great as in 1914. These abnormal figures are due to enormous munition orders and high prices for commodities. All our energies should be directed to counterbalancing the loss of these orders on the return of peace as far as possible by supplementary exports. In addition to revealing to us our economic power, the war has created a great opportunity in the field of foreign trade. The primary essentials to success in this direction are immigration, which should be stimulated to a sufficient extent to provide for a large development of our natural resources, and encouragement by the Government in some form to industrial interests, without which, as a young manufacturing country, it would be difficult to take full advantage of the coming opportunity to enter competitive markets.

We believe the present prosperity will probably continue while the war last, to be followed by an inevitable reaction during the readjustment period. But with the triumph of the Allies—a foregone conclusion—a new era of prosperity will eventually come to us. We should have less to fear from the readjustment if the people of this country would curb their propensity to reckless speculation and extravagance in this time of plenty.

BRITISH COLUMBIA.

Commercial conditions in the past year showed marked improvement over 1915. Real estate, however, continued dull. Economy practised in public and private life is having a beneficial effect.

The year was fairly good for agriculture, and would have been more successful but for the shortage of competent labor. Fruit crops and the yield of vegetables were larger than in the previous year, and brought better prices.

The salmon pack was disappointing. The Fraser River catch of sockeyes was not over 50 per cent. of the lowest previous record. Prices ruled high, with a very active demand.

The halibut fisheries enjoyed a good season, with considerably enhanced prices. Whaling figures are not yet available, but are reported to be the best for several years past.

The state of the lumber industry has been healthier and more active than for years past. The cut for the current year is estimated at 1,250,000,000 feet, compared with 1,017,000,000 feet in 1915. A brisk demand developed in the Prairie Provinces during the spring and summer, bringing an advance in prices. Lumbering operations, however, were seriously hampered by a shortage of labor and high wages. It will be difficult to get out sufficient logs during the present winter to meet the demands expected next spring. The export trade was small owing to scarcity of tonnage. On account of the continued demand for pulp and paper at profitable prices, several new plants will commence operations during the coming year.

Another important industrial development is the establishment of ship-building yards on the Pacific Coast.

MIDDLE WEST PROVINCES.

The grain crop in the Middle West promised to be even larger than the record crop of 1915, but during the last week of July, owing to damp, hot weather, an epidemic of rust set in throughout southern and south-western Manitoba and parts of Saskatchewan. Crops in the affected districts were practically ruined, the return being only from 3 to 10 bushels an acre. Hail storms, also, have been more numerous, more severe and more widespread than for many years past. In southern Alberta, and in southern Saskatchewan from Weyburn west, excellent crops were harvested.

The following estimate of the 1916 crop, as compared with 1915, is furnished by the *Grain Growers' Guide*:

	1915 Bushels	1916 Bushels
Wheat	341,500,000	168,605,000
Oats	330,100,000	270,477,000
Barley	62,700,000	48,515,000
Flax	7,700,000	6,570,000
	742,000,000	494,167,000

Farmers have increased their holdings of cattle and sheep, and dairying has received more attention than formerly.

Business conditions throughout the West are good. Wholesale houses report an increase in business, and collections satisfactory on the whole. Retailers are buying carefully, showing no disposition to overstock.

ONTARIO.

The past year was a favorable one in the Province of Ontario, except for agriculture and lumbering and the building trade. Agriculture has hitherto been the basis of Ontario's prosperity, with lumbering next, but last year they were both eclipsed by manufacturers. Plants were worked to the fullest capacity, that labor conditions would permit, while agricultural conditions were very unfavorable, in marked contrast in 1915. The only good crop was hay, which yielded 7,200,000 tons or 2.07 tons per acre as compared with 4,253,000 tons in 1915, or 1.32 tons per acre. The Department of Agriculture furnished the following comparative figures:

	1915 Bushels Per Acre	1916 Bushels Per Acre
Fall Wheat	30.5	21.2
Spring Wheat	21.2	15.3
Barley	36.0	23.5
Oats	41.9	26.5
Rye	18.5	15.8
Corn	70.2	49.2
Potatoes	76.0	53.0
Sugar Beets	378.0	268.0

Lumbering operations were greatly restricted by the scarcity of labor, high wages, and increased cost of supplies.

Apples and fruits generally fell below the average.

Mining is rapidly becoming an important factor in the wealth of the province. Important increases are shown in output and in value for the first nine months of the year, compared with the corresponding period of 1915. The increases in value for that period are as follows:

	1915	1916
Copper Matte	$2,024,800	$ 6,298,000
Nickel Matte	5,389,000	15,522,000
Pig-Iron	4,311,000	6,267,000
Gold	5,827,000	7,514,000
Silver	8,030,000	9,750,000

QUEBEC.

In the Province of Quebec crops were average, except hay, and prices were high. The dairy industry had another very satisfactory year, cheese and butter commanding the highest prices on record.

Manufacturers had a busy and profitable year, especially those making munitions and other war supplies. Labor was scarce, wages were high, and money was spent freely by the working classes.

Exports of grain and dairy products from Montreal show remarkable gains over 1915, except in the case of wheat.

Grain and Flour	1915	1916	Increase.
Wheat (Bushels)	34,025,000	34,602,000	577,000 Bus.
Oats	8,405,000	26,064,000	17,659,000 Bus.
Corn	166,000	4,879,000	4,713,000 Bus.
Flour (Sacks	1,701,000	4,821,000	3,120,000 Sacks
Dairy Products			
Cheese (Boxes)	1,854,000	2,152,000	298,000 Boxes
Butter (Pkges)	54, 00	179,300	124,800 Pkges.
Eggs (Cases)	284,700	375,700	91,000 Cases

Lumbering operations have been active, and pulp and paper mills have been running to full capacity.

Building has continued quiet, as elsewhere.

Both wholesale and retail trade report conditions generally satisfactory, and collections good.

MARITIME PROVINCES.

The Maritime Provinces have prospered exceptionally. Steel plants were employed to their utmost capacity, and mills and factories in general were busy with war orders. Farmers did well on account of high prices. The trade in dry and pickled fish enjoyed great activity, with prices at high water mark. The lobster catch exceeded that of the previous season, and prices were satisfactory.

Lumbering operations about equalled those of the previous year, and prices were good. The demand for wood pulp increased, at high prices. Operations during the coming season are likely to be somewhat restricted owing to a shortage in labor and the increase in cost of supplies.

The coal output was a little less than in 1915, although the increased requirements of steel and other industries created a greater demand. The quantity mined was limited only by the supply of labor available.

The shortage in tonnage and consequent high freight rates have brought about a revival of the shipbuilding industry in Nova Scotia, and yards are showing very great activity.

NEWFOUNDLAND.

Newfoundland experienced an excellent year. Her most important industry, the cod fishery, showed a successful catch, and prices were exceptionally high. The seal fishery had a record year, the total catch approximately 250,000 seals, valued at $700,000. The pit prop industry has developed considerably. It is estimated that about 65,000 cords of pit props were exported to Great Britain during the year, and the amount would have been greater but for lack of tonnage. Pulp and paper mills worked to full capacity. Other industrial concerns had a busy year, and obligations were generally well met.

BRITISH WEST INDIES.

The year's results in **Jamaica** were only fairly satisfactory, and the lot of the banana planter was particularly hard. Tonnage was lacking for the export of the early fruit, and in August, for the second year in succession, the crop was entirely devastated by hurricane. A sharp decline in the price of logwood was another unfavorable feature.

Imports during 1915 (the latest figures available) decreased from £2,565,000 to £2,327,000, but Customs duties showed an increase of £20,140, due to the higher Customs tariff. Of imported goods, Jamaica purchased 34% from the United States, 32.2% from Great Britain and 9% from Canada. It should be remarked that Canada could supply a large proportion of the goods at present unobtainable from Great Britain, on account of war conditions. It is doubtful, however, if our exports to Jamaica can increase to any appreciable extent unless better steamship service is provided. Should that colony become a party to the West Indian Reciprocity Agreement, of which she has to date enjoyed the benefits, this could no doubt be arranged.

Total exports were valued at £2,228,664, or £676,000 less than the previous year. The chief causes of the decrease was the failure of the banana crop. Sugar, rum and cacao brought higher prices. The exports of sugar and rum were £441,000, of which Great Britain took £334,000. Exports of fruit were £646,000, of which £586,000 went to the United States.

Conditions in **Trinidad** were very satisfactory. A good cacao crop was marketed at high prices. The sugar crop was considerably above normal, and the estates made large profits. The increase in the production of oil continues, and important shipments were made during the year, largely for Navy purposes. The energetic development of this industry during the past five or six years has proved very fortunate for the Colony, in view of the present demand for oil.

Exact figures of the sugar production of **Barbadoes** have not come to hand, but the crop was much larger than that of the previous year. Sugar is the island's only important crop, and the prosperity now enjoyed is unprecedented. **St. Kitt's** and **Antigua** are in a similar position, like almost all the sugar producing islands.

Dominica was visited by a severe hurricane which resulted in some loss of life, and considerable injury to the lime industry. While some of the individual planters suffered heavy loss, conditions in general were satisfactory.

Grenada marketed an average crop of cacao and spices at satisfactory prices.

The sponge industry of the **Bahamas** continues satisfactory, except in certain less important lines, which were formerly taken by Germany and Austria. The tourist trade was the best in years, and the present season is expected to be quite as good.

BRITISH GUIANA.

The year was a good one in British Guiana in almost every branch of trade and industry. The sugar crop was rather smaller than the year before, but good profits were realized from high prices. Shipments of rum were larger than in 1915, and prices ruled high. The rice crop was a large one, exports, according to incomplete estimates, amounting to 25,000,000 lbs. as compared with 17,000,000 lbs. the year before. All this was disposed of at profitable prices. The production of balata increased, and prices improved. Exports of timber were larger than last year, when shipments were practically suspended on account of the scarcity of tonnage. The production of gold was only 30,000 ozs.—17,000 less than in 1915. The output of diamonds, however, was nearly doubled.

The imports for the first ten months of 1916 were equal to the total for 1915. If the rate of importation was the same for the balance of the year, imports would show an increase of $1,263,000 over 1915. The principal imports from Canada were flour, fish, oats and lumber.

BRITISH HONDURAS.

Business conditions in British Honduras continue somewhat unsatisfactory, owing partly to the limited demand for mahogany. An improvement has been noted recently in this respect. Shipments of chicle increased during the year. The business of the Colony is still adversely affected by the political disturbances in Mexico.

CUBA.

The sugar crop for 1915-16 amounted to 3,005,000 long tons, against 2,575,000 for 1914-15. It is estimated that producers obtained an average price of $4 per 100 lbs., f.o.b, Cuba—about double the average price for several years prior to the war. Experts estimate the probable 1916-17 crop at 3,500,000 tons, almost 1,000,000 tons more than the crop of two years ago. Sixteen new mills were erected during the past year, making 201 to grind during the present season. On account of unseasonable weather, the mills are considerably later than usual in starting to grind, and the cane is giving unfavorable returns as compared with last year. These facts, together with a scarcity of labor and transportation difficulties, may result in a lower production than estimated. Sugar freights during the last crop averaged 30 cents to 60 cents per 100 lbs., and present indications are that they will be higher during the coming season. There is more or less uncertainty regarding prices, but the outlook is nevertheless very favorable. An incident worthy of mention in the sugar trade during the year was the formation of the Cuba Cane Sugar Corporation, which acquired seventeen mills with an anticipated output of 550,000 tons during the present crop.

The production of tobacco was somewhat under that of the preceding year, and less than half a normal crop. Prices have risen steadily, and the value of the past crop is estimated at something over $30,000,000, as compared with about $20,000,000 in 1915. On the whole, conditions for the coming crop are favorable to an increased yield of good quality.

The cattle industry has been very profitable on account of the greater demand for working cattle, together with high prices for beef and hides. These factors have led to a depletion of the breeding stock, which may affect the industry seriously if not arrested.

Coffee and cacao are rapidly becoming important crops. Productions and prices during the past year were satisfactory.

There was considerable development in the mining industry during 1916, particularly in iron, manganese and copper.

A notable feature of the trade of Cuba is the large balance of trade in her favor, viz., $130,000,000. For 1914-15 it was $92,000,000 and for 1913-14, $38,000,000.

Imports for 1915-16 were $172,000,000, and exports $302,000,000.

PORTO RICO.

The balance of trade in favor of Porto Rico increased from $15,000,000 to $27,000,000 for the year ending June 30, 1916. Exports amounted to $66,731,000, against $49,357,000 in 1915. The principal items were:

	1915	1916
Sugar	$27,278,000	$45,800,000
Tobacco	9,246,000	8,588,000
Coffee	7,082,000	5,049,000
Fruit	3,030,000	2,942,000

Imports were approximately $39,000,000, as compared with $34,000,000 in 1915.

The 1915-16 sugar crop amounted to 483,000 short tons, compared with 350,000 in the preceding year. The average price was $107.79 per short ton, compared with $92.64 for the previous crop. The present crop is estimated to produce about 500,000 tons.

The coffee industry was adversely affected by the war on account of the loss of important European markets. The crop of 1915-16 amounted to only 32,144,000 lbs. as compared with 51,125,000 for the previous year, and the value was $2,000,000 less. The crop now being harvested is greater in quantity, but the quality is poor on account of bad weather conditions. Through lack of transportation facilities and high insurance rates, planters may be obliged to accept a low price for their product.

The tobacco industry is in a prosperous condition. The crop now under cultivation, to be harvested between March and June next, is reported as good, with a large increase in acreage and prospects of high prices.

Fruit conditions were only fair, crops being poor and prices low.

DOMINICAN REPUBLIC.

During the past year, following a short-lived revolution, the United States Naval authorities assumed control of the Government of the Dominican Republic. A treaty was subsequently concluded, providing for the Government of the Republic under the supervision of the United States, covering a term of years. Business conditions were somewhat affected by the political unrest and the Government's inability to meet their payments during several months. The assurance of a stable Government should greatly help the development of the country, which has been retarded for years past by repeated revolutions. The island undoubtedly has a great future from an agricultural point of view.

Branches were opened during the year at Sanchez and Santiago de los Caballeros, the principal centres of the cacao and tobacco trade, respectively. Conditions in these districts are good, although they have suffered in the past from lack of adequate banking facilities. The sugar industry on the south side of the island is in a very flourishing condition, and several new estates are in course of formation.

1667
15
8335
1667
25005

COSTA RICA.

While Costa Rica lacks the unusual prosperity of most of the other southern countries in which we are represented, her business conditions are normal and fundamentally sound. The coffee and banana crops were good, and the prices satisfactory.

VENEZUELA.

A branch was opened during the past year at Caracas, Venezuela.

Trade statistics for the calendar year 1916 are not yet available, but are expected to be substantially the same as in the previous year. Imports in 1915, consisting chiefly of dry goods, machinery, flour, rice, etc., amounted to $13,400,000. Exports were valued at $23,300,000, of which 50 per cent. was coffee, with cacao, hides, raw gold, rubber and chicle in smaller proportions. The coffee crop now about ready for harvesting will probably exceed the production of last year, but prices are uncertain.

The political conditions of the country are quite satisfactory, and the finances of the Government are in a strong position.

MR. E. F. B. JOHNSTON ON WAR OUTLOOK.

Mr. E. F. B. Johnston, K.C., Second Vice-President, spoke as follows:—

It is very gratifying to the shareholders to know that the bank has made steady and rapid advancement during the past year. The very able and comprehensive statements to which we have just listened, show that the bank's stability has not only largely increased in the past, but is becoming every day a greater financial factor in Canada and elsewhere. The policy pursued has largely added to the volume of the bank, without in anyway interfering with its stability. I think we must all approve of the views taken by the Management, with regard to keeping ourselves available and ready for any contingency or emergency in the future.

That portion of the bank's affairs, which is in the hands of the Directors living in Ontario, is, I am glad to say, in a flourishing condition. We have nothing in the way of credits that causes us any alarm, and I believe you would be very much pleased if you knew just how solid our business is in that province.

I have very great pleasure in supporting the statements submitted by the President, the Managing Director, and the General Manager. I believe they are based upon sound reasoning and reliable facts.

The number of Directors was increased from seventeen to twenty, by an amendment to the By-laws of the bank, to provide for the addition of three Directors from the Quebec Bank Board.

Mr. J. Marwick and Mr. S. R. Mitchell were appointed auditors for the ensuing year.

BANK'S RECORD OVERSEAS.

A vote of thanks was passed to the President, Vice-president and Directors; also to the General Manager and staff. In replying to the latter, Mr. C. E. Neill, General Manager, said:

In thanking you on behalf of the staff, I must refer to those who are absent on military duty. The number enlisted from our ranks is now 762, and we have heard of 92 casualties—45 wounded, 38 killed or died of wounds, 1 missing, and 8 prisoners of war. I take this opportunity of expressing publicly our sense of loss, and our sympathy for the relatives of those who will not return.

To those who are fighting our battles unflinchingly in the midst of inconceivable hardship, we owe a heavy debt of gratitude; and we feel that this is realized by none more keenly than the men who bear the brunt of their departure to a great extent. I refer to the many officers who are putting forth splendid efforts with unfailing cheerfulness, under increasing duties. It is not easy to conduct the business, without so many of our trained men. The depleted ranks must be filled almost entirely by junior clerks and by girls, without banking experience, and the labors of our trained men are thus intensified. Had we not been able to secure the services of a large number of capable girls as clerks, the staff situation would have been serious indeed. The total number of girls employed on all posts has grown to 715.

As for the Executive Officials, your approval is naturally a matter of importance and an added encouragement. We endeavor to use our best efforts at all times in the interests of the bank, and it is pleasant to know that we enjoy your confidence.

In connection with the staff, one thing above all others must be borne in mind—our moral obligation to do the very best we can for our men returning from the front. This war is wearing down the fine edge of our feelings in some respects, but it must not be allowed to so dull our sensibilities that we could ever assent the sacrifices of our men as a matter of course. There are problems ahead for us in dealing with them as we wish to deal, but we are fully prepared to give the future of these men our most serious consideration.

BOARD OF DIRECTORS.

The following were elected Directors for the ensuing year:

Sir Herbert S. Holt, K.B.; E. L. Pease, E. F. B. Johnston, K.C.; Jas. Redmond, G. R. Crowe, D. K. Elliott, Hon. W. H. Thorne, Hugh Paton, Wm. Robertson, A. J. Brown, K.C., W. J. Sheppard, C. S. Wilcox, A. E. Dyment, C. E. Neill, M. B. Davis, G. H. Duggan, C. C. Blackadar, J. T. Ross, R. MacD. Paterson, G. G. Stuart, K.C.

At a subsequent meeting of the Directors, Sir Herbert S. Holt was unanimously re-elected President, Mr. E. L. Pease, Vice-president and Managing Director, and Mr. E. F. B. Johnston, K.C., Second Vice-president.

U. S. ORE SHIPMENTS.

Increase of 20,000,000 Tons and $77,650,000 in 1916.

The shipments of iron ore from the mines in the United States in 1916 are estimated by Ernest F. Burchard, of the United States Geological Survey, Department of the Interior, to have approximated 75,500,000 gross tons, compared with 55,493,100 tons in 1915, an increase of 34 per cent. This ore sold for approximately $178,935,000, an increase of about $77,650,000, compared with the value of the 1915 output. Ore in stock at the mines is estimated at approximately 10,486,000 gross tons, compared with 13,748,732 tons in 1915, a decrease of nearly 24 per cent.

Of the total shipments of iron ore, 64,734,198 gross tons was shipped by boat from the Lake Superior district, according to detailed figures from the docks of Upper Lake ports, published recently by the *Iron Age*, and possibly 1,300,000 tons in addition was shipped by rail, making the probable total shipments from the mines in the Lake Superior district more than 66,000,000 gross tons. Compared with the boat and rail shipments from this district in 1915 (47,272,751 gross tons), an increase of nearly 40 per cent. is shown.

U. S. SHIPBUILDING.

1,163 Vessels Were Constructed During 1916.

The Bureau of Navigation, Department of Commerce, reports that during the calendar year 1916, private American shipyards built 1,163 merchant vessels, of 520,847 gross tons, which have been officially numbered for American shipowners and accordingly are now in trade or about to engage in trade. American shipbuilders also built 50 vessels of 39,392 gross tons for foreign owners, making a total output of 1,213 vessels, of 560,239 gross tons, for the 12 months. The record output for the United States was 614,216 gross tons built during the 12 months ended June 30, 1908, and the 1916 record was also exceeded during the fiscal year 1855, when 583,450 gross tons were built, all of wood except 7 iron vessels of 1,891 gross tons.

Of the 1916 output 152 vessels, of 414,029 gross tons, were built of steel which was exceeded by the output of 149 steel vessels, of 450,017 gross tons during the fiscal year 1908. The output of that year, however, was mainly for the Great Lakes, while most of the steel tonnage of 1916 has been built for the ocean freight trade.

The plant of John Bertram & Sons at Dundas, is very actively employed in the manufacture of shells for the Imperial Government. This company was one of the first to enter into the munitions business, and is now employing about 700 hands.

AN AGGRESSIVE PLAN TO BUILD BRITISH TRADE

A Demand That Foreign Office be Placed in Charge.

INDUSTRIES ARE ORGANIZING

Authorities on Matters of Trade and Commerce Demand That Service Be Placed On a High Level, With Practical Organization.

Great Britain is actively preparing for an industrial struggle at the end of the war. The best authorities of the nation upon subjects of trade and commerce are organizing to meet inevitable economic conditions which will greatly increase the severity of competition in foreign markets at a time when the heavy burden of paying for war expenditures will make it almost imperative that the markets for British production be greatly increased. There has been formed for the launching of an energetic propaganda along the lines referred to, the Federation of British Industries.

It is significant that in this hour when energetic practical effort along trade lines is important for the country's industrial future, the dominant influence—the Federation of British Industries—has been formed outside of the established trade organizations. In fact, the main object of the Federation is to reorganize and supplement the existing services. It is but another example of the demand for efficient business administration of public offices and departments, along practical lines, in order to secure the desired results. The war, conducted, as it has been, as a vast business undertaking against highly organized military, financial and economic forces, has resulted in the discovery of much dry-rot in our public services and institutions. British industrial captains have realized that if they want to increase foreign trade they will have to go after it and compete for the consumers' business; they do not propose to be handicapped at the outset by an antiquated and decrepit commercial service.

In the first place, the Federation has gone to the heart of the matter by attacking the problem of control and from this proposes a network of organized branches extending so far as possible throughout the world and destined to meet on an entirely different ground to past efforts the aggressive and systematic campaign of Germany. In fact, in many respects the evidence is not lacking that a leaf from the German system is being adopted to co-ordinate commercial and political foreign services to the same end.

Foreign Office in Charge.

To secure the desired concentration of control, the radical recommendation is made that the appointment and promotion of the personnel of the service and the direction of all duties be placed in the hands of a single department and that "this department must be the Foreign Office." The Foreign Office will be expected to keep in closest possible touch with the industrial and commercial community and be responsible both for the information collected and for ascertaining needs and wishes in connection with foreign trade. The proposed duties of the department are outlined as follows:—

(a) The direction of all services abroad; (b) the collection and distribution of all industrial, financial and commercial information relating to foreign countries; (c) the prompt and vigorous support of all British efforts to secure contracts, concessions or orders; (d) advice to the department in charge of industrial and commercial affairs on all questions in the United Kingdom which may affect foreign trade; (e) advice to His Majesty's Government as to the conditions on which they should permit the issue of foreign loans in the United Kingdom.

That really efficient machinery should be established to co-ordinate the work of the Foreign Office and of the department in charge of industrial and commercial affairs.

The recommendation in favor of the concentration of energies with the Foreign Office is based on the ground that it is the only department for successfully conducting a foreign commercial policy looking to the varied interests concerned—the protection and promotion of all British industrial, commercial and financial interests and activities in foreign countries and for the collection and distribution of all information on matters connected with industry, commerce or finance in those countries. The different branches of the service under the control of the one department would be:—

The Diplomatic Service.—(i) Increase of staff to enable sufficient time to be devoted to the study of industrial and commercial questions. (ii.) Insistence that commercial work forms a most important part of the duties of the service, and that a certain period during an officer's services in each grade should be devoted especially to this work as an essential qualification for promotion.

The Commercial Attache Service.—This should be replaced by the appointment of officers of high rank, to be known as commercial counsellors, to each Embassy or Legation, to be in sole charge, under the Minister or Ambassador, of all commercial work in the country. These officers to be given one or more assistants and rank, emoluments, and position second only to that of the Minister or Ambassador, and to be regarded as regular members of the diplomatic service.

The Consular Service—(i) The commercial work of this service to be subject to the direction of the commercial counsellors. (ii.) A large increase in the numbers of the regular service. (iii.) A redistribution of posts to correspond with commercial needs. (iv.) Reduction to a minimum of the posts held by unpaid consuls. (v.) Provisions of sufficient clerical and other assistance to enable consular officers to devote the bulk of their time to commercial work. (vi.) Provision of adequate local and traveling allowances.

All Services.—(i) Only natural born British subjects to be eligible for appointment to any post, paid or unpaid. (ii) The introduction of a small number of men with practical business experience especially into the commercial branch of the Foreign Office and the commercial counsellor service. (iii) The establishment of a definite and high standard of efficiency which must be reached by all officers at different stages of their career. This standard to be administered by a promotion board with power to postpone the promotion of any officer who does not reach the standard, to demand the resignation of any officer who falls far short of it, and to grant a pension commensurate with past services to any officer whose resignation is demanded.

Using Financial Control.

That the issue of all foreign loans in the United Kingdom be subject to the approval of His Majesty's Government and that a necessary condition of such approval should be that a large portion of the goods or services be obtained from British sources is a view held by the Federation which indicates the extent to which steps may be taken to make use of the Mother Country's financial position to control trade within the Empire. In any event it is recommended that in all cases support should only be given to bona fide British firms, whether technically British or not, which are in any degree under British influence. These matters, it is suggested, may be dealt with by a different unit from the Foreign Office if efficient machinery is established for the complete co-ordination of the work.

The Federation recommends that every effort be made to establish the fact that service in the commercial branch is as fully important and as likely to lead to professional advancement as service in the political branch. This is emphasized by the setting of a high standard of experience, ability and knowledge on the part of those connected with the commercial service. In the same connection it is suggested that the present commercial attaches be replaced by officers of high rank with position and emoluments second only to the Ambassador or Minister to whom he should act as expert adviser in all industrial and commercial matters. In the changes suggested and in increasing the employees in the service accordingly, it is regarded as important that men of practical business experience be introduced and that fresh blood should be added from time to time in order to maintain a high practical standard. In addition, the employment of commercial and technical experts is recommended to provide detailed reports on particular trades, industries or markets.

BIG PILING CONTRACT.

C.P.R. Places Large Order With Vancouver Firm.

The largest piling contract ever given on the Pacific Coast, according to the Vancouver *Sun*, has just been awarded by the Canadian Pacific Railway to the Vancouver Creosoting Co., which only recently began operating its big new plant in North Vancouver. The contract, it says, amounts to $150,000, and the creosote piles will be used in the extension to Pier D which the railway is now undertaking. The contract is probably a record one in another respect—that a large number of the piles to be delivered will be 130 feet long. This gives an idea of the size and permanence of the dock extension that is being made by the railway.

CANADA LIFE

HERBERT C. COX, PRESIDENT HEAD OFFICE: TORONTO

1917 70th Annual Report

December 31st, 1916.

New Assurances Issued	$ 20,524,044 10	Increase	$4,173,637 00
" " Paid For	19,037,146 00	Increase	4,822,370 00
Total Assurance in Force	169,964,803 20	Increase	9,036,211 19
Premium and Interest Income	8,695,283 42	Increase	636,158 78
Total Assets	59,239,183 62	Increase	3,022,122 11
Reserves for Protection of Policyholders	50,096,237 00	Increase	2,001,794 00
Net Surplus	6,043,677 77	Increase	620,588 96

Above, in brief, are the Results for 1916 as shown by the Financial Statement alone.

Below, are a few other important accomplishments during the year.

THE CANADA LIFE IN 1916:—

1. Increased the efficiency of its agency forces through careful education by mail and enrolled five hundred men in its new Sales Course of Instruction.
2. Enlarged and strengthened its organization, particularly in Canada, where more than 70% of the increase in policies issued was obtained.
3. Extended the sale of Monthly Income and Business Insurance, many applications for very large amounts having been received during the year.
4. Carried out the year's operations with an important decrease in the ratio of expenditure.
5. Placed large funds in the best classes of securities including the Dominion War Loan.
6. Placed more additional insurance with existing policyholders than ever before.

The Annual Report giving full details will be gladly mailed upon request.

BRITISH COLUMBIA ELECTRIC RAILWAY

REDUCTION IN EARNINGS EXPLAINED.

IMPROVEMENT IN URRENT YEAR

The twentieth ordinary general meeting of the members of the British Columbia Electric Railway Company, Ltd., was held on 22nd December, 1916, at the Liverpool-street Hotel, London, England, Mr. G. P. Norton presiding.

The Secretary (Mr. Michael Urwin, A.C.A.) read the notice convening the meeting and the auditors' report.

The Chairman: Gentlemen,—I presume that all of you have copies of the report and balance sheet, and with your consent I will take them as having been read. Unfortunately our Chairman, Mr. Horne-Payne, is not able to be here; but he has prepared a speech, and Mr. Harold Brown will kindly read it to us.

Mr. Harold G. Brown then read Mr. Horne-Payne's speech, which was as follows:—

Ladies and gentlemen,—We exceedingly regret that this meeting has not been held at an earlier and more convenient date, but it has been quite impossible to issue the accounts sooner, and the fact that they are ready now reflects great credit upon our secretary, who is the sole male employee left in the London office. I do not think there is a great deal to say to you about the position and prospects of the company. The report itself tells you almost all there is to be said on the subject, but there are one or two matters about which you may expect me to give some further explanation. The total gross income of the company for the year under review—namely, the year ended 30th June last—was only £258,000, as compared with £370,000 in the preceding year and £560,000 for the year ended 30th June, 1914—a decrease in the two years since the outbreak of war of considerably more than 50 per cent.

UNFAIR COMPETITION

This unfortunate state of affairs has been due mainly to two causes—namely, a reduction, amounting to some 30 per cent., in the population of the districts we serve, owing to or consequent upon the extraordinary proportion of the manhood of the province who have voluntarily enlisted in the Army of the Empire; and, secondly, to the continuance of the unfair competition of what are called jitney cars. These are privately-owned motor cars which ply for hire at ordinary tram fares in opposition to the company's cars. We must all feel a grim satisfaction and pride in the first-named cause of our misfortunes, and, moreover, it is a trouble that we can safely trust to right itself after the war. A loss or gain of 30 per cent. in the population served means the loss or gain of a great deal more than 30 per cent. in the profits of a company such as ours, because there is a certain minimum population necessary to produce the minimum earnings required to meet the fixed and irreducible expense of maintaining the servivcesv. It is therefore reasonable to look for an increase in profits on the return of the troops almost as rapid as the decrease has been. I do not mean to say that we shall get back all at once to the dividend we formerly received on the Deferred Ordinary stock, but I do think that we shall again receive a moderate return on the money invested in that stock within a year or two of the end of the war. Meanwhile, we have maintained most efficient services for the convenience of the public and the great advantage of the cities and districts served, and should be able to continue to do so were it not for the piratical competition of the jitney cars. As stated in the report, although since 1st January this competition has been less acute than in the previous year, these cars are still depriving the company of earnings amounting to approximately $350,000 a year. This company has deserved well of the people of British Columbia, and was entitled to expect not only fair treatment, but every encouragement, and in this matter they certainly have not received it. Every effort has been made to obtain fair treatment by endeavoring to secure that the jitneys shall be subject to similar control of service accommodation and construction of cars and other matters as is imposed upon the company, and that they shall contribute to municipal revenue and expenses in some fair proportion to the contribution of this company, but it has as yet been impossible to convince the authorities and the public of the folly of maintaining by preferential treatment, to the detriment of a great enterprise, which has done in the past and can do in the future so much for the province, a service which is merely a convenience to a certain section of the public, and can do nothing to advance permanently the general welfare, by the expenditure of capital, the employment of labor or the encouragement of industries. Very little capital expenditure has been incurred during the past year, and none which was not immediately remunerative or which was not necessary in order to comply with franchises or agreements previously entered into. From the nature of the services supplied and the conditions under which we have acquired the rright to supply them it is impossible for the company ever to close its capital account entirely.

INCREASED COST OF LABOR

Throughout the year the most strenuous efforts were made by the management to enforce every possible economy, and with a large measure of success, but we are now called upon to face a large increase in the cost of labor. There has been for some time past a great deal of trouble in connection with labor throughout the American continent, and British Columbia has not escaped. The shortage of men and the increase in prices of commodities created a difficult situation. These conditions seriously affected the employees of the company, and although the agreement with them still had a few months to run it was recently decided to grant an immediate increase of wages. This concession involves an increase in working expenses of considerably more than $100,000 per annum, and is to remain in force until 30th June, 1918. A more agreeable side of the situation is the fact that during the four months of the current year for which we have the figures there is an increase in net earnings over the same period last year of well over £30,000. As a matter of fact, this improvement commenced in February, and although varying in amount has been continuous month by month up to and including October, which is the last return we have received. We think there are grounds to hope that this increase in earnings may continue on a sufficiently large scale to enable us this year to meet the dividend on the Five per Cent. Cumulative Preference stock without having recourse to the reserve fund, and with perhaps a small surplus.

OUTLOOK IN BRITISH COLUMBIA

In estimating the prospects of the company, one has largely to be guided by the general outlook in British Columbia. From its geographical position, British Columbia has experienced a more severe set-back from the war and less benefit from war trade than any other province of Canada, the mining industry alone having derived substantial benefit, while such important industries as the shipping trade and the lumber trade have been practically paralysed. There can be no doubt, however, that during the last six months these trade and commercial and industrial conditions generally have been steadily improving. Much attention is being given to the development of the mining industry, and the mines have experienced a great demand for their products for munition purposes. The Provincial Government are assisting the development of the shipbuilding industry, and there seems no reason why Vancouver and Victoria should not successfully rival Seattle and San Francisco in shipbuilding. There is an increasing export trade with Russia and the East, particularly in munitions, railway materials, etc., and it is believed that after the war the exchange of commodities with Russia across the Pacific will be permanently established. I think that undoubtedly the worst times were experienced towards the end of last year, and that from now on we shall see continued improvement.

The Chairman: I have now to propose: "That the balance sheet as at 30th June, 1916, and the revenue account for the year ended on that date, together with the reports of the directors and auditors thereon, be and are hereby received and adopted."

Mr. E. L. Evan-Thomas seconded the resolution.

STOCKHOLDERS' VIEWS AND QUESTIONS.

Mr. Hope expressed regret that Mr. Horne-Payne was not able, on account of ill-health, to attend the meeting. He had been Chairman of the company since its inception, and he (the speaker) was sure all the stockholders hope that he would continue to act in that capacity for many years to come. It was a little unfortunate, perhaps, that the meeting was held on the eve of Christmas, although the Chairman had given them what they must accept as the reason—namely, the shortage of staff. With regard to the proposed increase of the Board to nine members and the election of Sir William Mackenzie, he was not at all sure how far a gentleman like Sir William, with his wide interests and the large number of companies he had to attend to at the present time, would be able to devote any time to the affairs of this company. Still, he (the speaker) did not propose to raise any opposition to the election of Sir William, but he would like to suggest that if any further appointments were made the Board should, if possible, consult shareholders on the subject and endeavor to get an independent nomination. With regard to the question of management, it was to be regretted that in the year 1914, when things were going badly and were likely to go much worse, their old general manager, Mr. R. H. Sterling, was brought away from Vancouver and a new man appointed. He would have thought that if Mr. Sperling had been established in London shortly before the troubles arose the proper action of the Board would have been to send him back at once to British Columbia. However, Mr. Sperling was now rendering service to his country; he had accepted a commission in the Royal Engineers and was doing very fine work. There were one or two matters in connection with the present mangement with which he (the speaker) was not quite satisfied, but he had seen a director of the company, who had undertaken on behalf of the Board to look into them and to do anything that might be found necessary, and with that assurance he was quite content. He had intended to make a few remarks as to future prospects, because he knew British Columbia very well, having lived there for some years, but in view of the reasons given by the Chairman for his faith in the future he would say no more on that subject. He hoped that although Mr. Sperling had apparently left the service of the company, some tangible recognition would continue to be given to him while he was on war service, and that when it was over he would be able to return and take a seat on the Board of the company.

Mr. Stone said he observed from the balance-sheet that the company had some £2,700,000 in the Vancouver Power Company, the Gas Investment Company and sundry investments. The stockholders were not given any information in the report as to the success or otherwise of these subsidiary companies, and as the amount invested in these companies represented the reserve fund and various other funds, he thought some enlightenment ought to be given considering the present state of their own undertaking.

CHAIRMAN'S REPLY.

The Chairman, in reply, said it was the practice of the Board before appointing any new directors, or suggesting such appointments, to consult some of the large stockholders, and their consent and approval had been obtained. With regard to management, he was afraid that some of the remarks which Mr. Hope had made might lead stockholders to suppose that the management was not quite as efficient as it might be. The company had had the advantage of Mr. Sperling's services until he received his appointment in the Army, and the directors had always been very glad to have his assistance, and they hoped to have it again after the war. Mr. Sperling had had a long experience, and it was always an advantage to have the help of someone who had lived on the spot. He (the speaker) had been connected with the company since its inception, and in his opinion it had never been better managed than it was to-day, if so well. It was in the best of hands and their people in British Columbia were doing splendidly for the company against the most adverse circumstances. With reference to the subsidiary companies referred to by Mr. Stone, the great bulk of the money was in the Vancouver Power Company, which was the company that owned their power, and was, of course, the most important and perhaps the best asset that the company had. (Hear, hear.)

The resolution was carried unanimously.

THE PREFERENCE DIVIDEND.

Mr. E. M. Harvey then moved:—"That the payment, since the date of the last annual general meeting, of the dividends at the rate of 5 per cent. per annum on the Cumulative Perpetual Preference stock and the transfer of £70,000 from the reserve fund to the revenue account be and are hereby approved."

Mr. Harold Brown seconded the resolution, which was agreed to.

Mr. Evan-Thomas next moved the following resolution:—"That the directors be authorized at their discretion to pay on the usual dates the dividend on the Five per Cent. Cumulative Perpetual preference stock for the year to the 30th June, 1917, and if necessary to draw upon the reserve fund for that purpose." He said that he thoroughly agreed with all that Mr. Norton had said about the management of the company in Vancouver. The manager there was charged by the directors with a most ungracious and difficult task—namely, the reduction of the expenses at a time when it was vitally necessary that they should be cut down; and he (the speaker) approved most highly of the manner in which he had carried out that task and managed the company. He did not think that anybody could object in principle more than he did to taking money for dividends from the reserve fund, although, strictly speaking, the reserve fund was there for that and other purposes. In this case, however, the circumstances were somewhat exceptional. The dividend was cumulative, and if they did not pay it now they would have to pay it later. There appeared to be a considerable chance this year that they would earn the greater part of the dividend and that next year they would earn the whole of it. Moreover, if the dividend was not paid it would create an enormous hardship on many people, whose object in holding this Cumulative Preference stock was to be assured of a regular dividend.

Mr. J. Davidson seconded the motion, which was carried unanimously.

Mr. Harvey proposed:—"That the retiring directors, Mr. G. P. Norton, Mr. Harold Brown, Sir Max Aitken and Mr. John Davidson, be and are hereby re-elected directors of the company." In doing so he referred with gratification to the fact that the services of Sir Max Aitken to the Empire had recently received further recognition.

The motion was seconded by Mr. Evan-Thomas and carried unanimously.

APPRECIATION OF THE MANAGEMENT.

Mr. Harold Brown moved:—"That the best thanks of the meeting be given to the general manager, officers and staff in British Columbia for their untiring and loyal efforts in the performance of their duties. It was difficult, he said, to speak too highly of the way in which the company had been served by the staff in British Columbia in the most difficult and trying circumstances. They had never lost heart, and they had given the most untiring services in their endeavors to cut down the expenses wherever they legitimately could, and to increase the earnings. The directors had had the advantage of seeing Mr. Kidd in this country during the past autumn, and the more they saw of him the more they were confirmed in their previous views that they had the right man in the right place. He desired to couple with the resolution the name of their London secretary, Mr. Urwin, whose arduous work had been so well performed. (Hear, hear.)

Mr. Evan-Thomas seconded the motion, which was passed unanimously.

Colonel A. G. Hipwell, C.B., next proposed:—"That the retiring auditors, Messrs. Norton Slade and Co., be and are hereby re-elected auditors of the company for the ensuing year at a fee of 200 guineas, and that the Canadian auditors, Messrs. Helliwell MacLachlan and Co., be re-elected the company's auditors in British Columbia at a fee to be fixed by the Board."

Mr. Stone seconded the motion, and it was unanimously adopted.

On the motion of the Chairman, seconded by Mr. Davidson, the following resolution was also passed unanimously:—"That the maximum number of directors of the company be increased from 8 to 9, and that Sir William Mackenzie be and he is hereby elected a director of the company."

The proceedings then terminated.

INTEREST DEFERRED.

White Pass and Yukon Railway Did Not Meet January Instalment.

Under terms of agreement between the company and the debenture holders, coupon No. 32 of the 6 per cent. debentures of the White Pass and Yukon Railway Company, due on January 1, was not paid, but, with the instalment due 1st July next, will on notice be exchangeable for income debenture stock.

The White Pass and Yukon Railway is an English corporation, registered 1898, which acquired the capital stock of the Pacific and Arctic Railway and Navigation Company, the British Columbia-Yukon Railway Company, and the British Yukon Railway Company, whose powers comprise the construction of railway from Skagway Harbor to Fort Selkirk, on the Yukon—about 325 miles. In 1901 the steamships and other properties of the Canadian Development Company were acquired and the business transferred to the British Yukon Navigation Company. For the year ending June 30, 1915, the company's income was £56,333, compared with £54,248 at the end of the 1914 period and £100,976 in the year ending 1913. No dividends have been paid since 1913.

STEEL FROM U. S.

Canada Placing Heavy Orders for Munitions Business.

The *Wall Street Journal* points out that it is a significant fact that in the purchase of war munitions, the allied governments have turned most hopefully to Canadian manufacturers and in turn the Canadian Board of Munitions has come into our market for steel, billets and forgings with renewed energy, but most of the large mills in the United States have capacity for this kind of material so fully sold that they hesitate to make commitments for definite tonnages at this time. Information comes from reliable sources that the Allied Governments are to push the manufacture of large shells in Canada and in Europe, which will require the purchase of at least 500,000 tons of steel. It is claimed that three-fifths of this material will be needed by munition works in the Dominion of Canada during the current year. How to obtain such a tonnage of steel under present conditions is a problem to be solved. It is pointed out that except for relatively small lots no definite tonnage has been named in the recent inquiries.

WOOLWORTH HOLIDAY TRADE.

Business on December 23rd Was the Largest Single Day on Record.

The business of the F. W. Woolworth stores throughout the United States and Canada is watched with considerable interest as a barometer of a certain class of trade. In connection with the holiday trade of 1916, it may be pointed out that the sales on Saturday, December 23rd, were $1,629,714, which represents the largest day's business in the history of the company. Compared with the corresponding day of 1915 there was an increase of $382,536, or 30.67 per cent. Sales for the seven days before Christmas were $6,761,736, an increase of $761,155, or 12.80 per cent. For the whole year the sales were close to $87,200,000, which is a record in the company's history, and an increase of more than $11,000,000 over 1915. In 1915 the company showed 9.9 per cent. on each dollar sold, and, assuming that the same profits were made in 1916, the net earnings would be $8,633,800. After paying interest on the preferred stock, there would be left over $7,700,000, or about 15.44 per cent. on the common stock. The company opened 112 new stores during 1916, and now has the total of 920.

NORTHERN CROWN STRONG POSITION LARGER PROFITS

Annual Statement Makes a Remarkably Good Showing.

EARNED 9 P. C. ON CAPITAL

Benefits of Reduction of Capital Are Indicated—Surplus Carried Forward Was 7.7 Per Cent. of Total Now Outstanding.

While materially strengthening the very strong position in relation to immediately available assets indicated in its report for 1915, the Northern Crown Bank last year increased its earnings by more than 25 per cent., as indicated in the financial statement which has just been issued. The report is an interesting one in many respects, showing relatively large changes in many of the different departments. These would seem to reflect the conditions which have prevailed and that they have been accompanied by increased profits would indicate an aggressive as well as safe policy. However, the earnings are still far below the showing of 1914 and previous years, although the return on capital has been more than doubled, the readjustment of capital account last year being the important factor in this connection.

The profits for the year were $128,761, which compares with $100,790 in the last report and $201,289 for 1914. From this amount the only deduction was $17,436 for war taxes, leaving a balance to be added to surplus of $111,325; the surplus now amounts to $132,954. Following are comparative figures:—

Income Account.

	1916.	1915.	1914.
Balance forward	$ 21,630	$ 14,793	$ 77,276
Profits for year	128,761	100,790	201,289
Trans. from Res.	......	......	200,000
	$150,391	$115,583	$478,565
Dividends	$	....	$170,297
Res. for bad debts	....	....	117,475
Pension fund	....	....	5,000
War taxes	17,436	18,953	.....
Res. for depre-	.....	15,000	56,000
Special reserve	.....	......	15,000
Contingent	......	60,000	100,000
Balance	$132,954	$ 21,630	$ 14,793

The Earnings Record.

The improvement in the bank's position by the policy of retrenchment which has been followed the past two years is emphasized in the record of earnings. No dividends have been paid for 1915 or 1916 and, at the same time, the capital has been reduced by half. Thus, while the earnings on investment only improved from 3.56 per cent to 4.24 per cent., the showing on capital increased from 3.58 per cent. to 9.01 per cent. A still more remarkable contrast may be made when it is pointed out that at the end of 1916 there was available for distribution in dividends $111,325, which is 7.7 per cent. of the present capital. This compares with a surplus at the end of 1915 of $6,837, which is only .24 per cent. of the larger capital then outstanding. In 1914, the payment of dividends, provision for bad debts and for contingent account necessitated $200,000 being transferred from the reserve fund and a reduction of the surplus of nearly $63,000. Following is the record of earnings:—

EARNINGS RECORD.

Yearn	Earn.	% on Capital.	% on Invest.	Div.
1909**	$ 193,659	8.80	....	5 %
1910	258,144	11.71	....	5 %
1911	285,694	12.94	....	5½%
1912	291,094	12.38	....	6 %
1913	281,167	10.20	8.77	6 %
1914	201,289	7.00	6.17	6 %
1915	100,789	3.58	3.56	.....
1916	128,761	9.01	4.24	.....

**Years 1909, 1910, 1911, the year ended Dec. 31, and in 1912 and 1913, Nov. 30th.

*Earnings on balance at commencement of year, reserve and average capital—representing the shareholders' aggregate investment.

The Year's Changes.

During the year the bank's assets increased by $2,730,418, for which enlarged deposits were almost entirely responsible. Demand deposits increased by $2,790,464 and savings deposits by $1,687,374. The investment of these funds was accompanied by a number of changes, and it is interesting to note that in THE POST'S analysis there is an increase in the immediately available liquid assets of $3,410,506, which raises the percentage in relation to total assets from 40.46 per cent. to 48.39 per cent., and in relation to total liabilities to the public from 47.75 per cent. to 53.44 per cent. This improvement is all the more remarkable when it is pointed out that for the year 1914 the percentages were only 28.88 and 34.21 respectively. The principal changes in immediately available assets were: Increases in Government securities, $3,700,771; gold reserves, $1,450,000, and bank balances abroad, $1,176,251, and a decrease of $2,415,795 in bank balances. The latter item evidently indicated the withdrawal of a large portion of fund which had been deposited with the Bank of Montreal. The increase in the earnings is evidently largely explained by the rise in current loans which were enlarged by $1,432,894. That this was accomplished in the face of the general conditions prevailing in Western Canada, where most of the bank's activities are carried on, would seem to indicate an aggressive policy on the part of the management. In the bank's ordinary assets there is also an increase of $1,507,011 in public securities, which is undoubtedly the result of the taking up of securities in connection with the British financing of war orders in Canada. Other changes are relatively unimportant, although a comparatively large increase in call loans in Canada is noted.

In addition to the increase, in deposits, the statement of liabilities indicates the change in capital account made a year ago. Capital has been reduced by $1,430,475, of which 715 000 was applied to reserve and the remainder to write down bank premises, provide for depreciation of assets and add to the contingent account. Following are comparative figures:—

Immediately Available Liquid Assets.

	1916	1915	Change
Specie	$ 191,775	$ 236,004—	$ 44,229
Dom. Notes	846,405	1,437,073—	590,668
Note cr. dp.	100,500	109,493—	108,993
Notes bank.	206,671	218,426—	11,755
Bank bal.	993,011	3,408,806—	2,415,795
Do. ab'd.	1,484,379	308,128+	1,176,251
Gov. sec.	3,756,221	55,450+	3,700,771
Cheques	1,845,973	1,691,049+	154,924
Gold Reser.	2,200,000	750,000+	1,450,000
	$11,624,935	$ 8,214,429+	$3,410,506
% of t'l assets.	48.39	40.46	
% of total liab. to public	53.44	47.75	

Other Assets.

	1916	1915	Change
Pub. sec.	$ 1,671,698	$ 164,687+	$1,507,011
Other sec.	220,536	248,450—	27,914
Call loans	534,865	152,909+	381,956
Current	7,853,988	9,286,882—	1,432,894
Sub'di'y Co.	1,250,000	1,250,000	......
Overd'e d'ts	241,307	388,682—	147,375
Lets. of cr.	25,673	.....+	25,673
Real estate	36,621	49,098—	12,477
Mortgages	97,784	96,912+	872
Premises	375,611	375,930—	319
Other ass's	96,247	70,868+	25,379
	$12,404,330	$12,084,418+	$ 319,912
Tot'l assets.	$24,029,265	$20,298,847+	$3,730,418

Liabilities to Public.

	1916	1915	Change
Circulation.	$ 3,336,320	$ 3,350,385—	$ 14,065
Demand dp.	8,338,825	5,548,361+	2,790,464
Savings dep.	10,046,229	8,358,855+	1,687,374
Due banks..	686	540+	146
Due elsewh.	1,599	3,764—	2,165
Acc'tances..	25,673	.....+	25,673
Other liab.	1,876	5,201—	3,323
	$21,751,210	$17,267,106+	$4,484,104

Liabilities to Shareholders.

	1916	1915	Change
Capital	$ 1,428,797	$ 2,859,272—	$1,430,475
Reserve	715,600	150,000+	565,600
Dividends	704	839—	135
Balance	132,954	21,630+	111,324
	$ 2,278,055	$ 3,031,741—	$ 753,686
Total Liab.	$24,029,265	$20,298,847+	$3,730,418

THE LOSSES AT SEA.

Over 2,000 Vessels Sunk in 29 Months of War.

During the twenty-nine months that have elapsed since the beginning of the war, up to and including Dec 31, 1916, approximately 2,146 merchant vessels, of all types and classes, ranging from small fishing smacks to the largest transatlantic liners, have been destroyed as a result of the operations of belligerents on the seas, principally by mines and submarines. The aggregate gross tonnage of these vessels, exclusive of a considerable number whose tonnage is not recorded, was 3,982,556 tons, or more than the tonnage owned by any nation except Great Britain, Germany and the United States. Of this total, 1,149 vessels, with an aggregate gross tonnage of 2,082,683 tons, were destroyed in 1916.

The following table shows the total losses of each nation, the losses up to January 1, 1916, and the losses last year:

GROSS TONNAGE OF MERCHANT SHIPS DESTROYED.

	To Jan. 1, 1916.	1916.	Total
Great Britain	1,225,498	1,134,650	2,360,148
Norway	103,023	265,523	368,546
France	125,978	130,851	256,829
Itlay	60,217	151,510	211,727
Germany	16,888	32,554	194,442
Holland	36,843	80,481	117,324
Greece	13,227	67,971	81,198
Denmark	33,293	48,830	82,133
Sweden	32,667	44,955	77,622
Russia	34,193	29,699	63,892
Spain	5,223	39,293	44,516
Belgium	12,211	15,080	27,291
Japan	16,015	10,700	26,724
United States	10,377	14,181	24,558
Turkey	18,150	......	18,150
Austria-Hung'y.	13,240	4,238	17,478
Portugal	......	5,563	5,563
Roumania	......	3,688	3,688
Canada	......	3,464	3,464
Brazil	......	2,258	2,258

DEVELOPMENT OF SOUTHERN CANADA POWER

President Tells Annual Meeting of Work Being Carried on.

NO FINANCIAL STATEMENT

Explanation Given That Constructive Stage Has Not Yet Been Completed—Fixed Charges Met and Good Surplus Over.

At the annual meeting of the Southern Canada Power Co., held on Monday of this week, the president, C. J. McCuaig, stated that the company had effected very important extensions throughout the Eastern Townships. Contracts have been made with the Shawinigan Water & Power Co., for the sale to it of two blocks of power out of the first and second developments. The company, he said, was at present operating its system with power obtained from its hydro-electric development at St. Hyacinthe and Drummondville. Its steam plants at St. Hyacinthe, St. John's, Iberville and St. Hughes, are supplemented by temporary power purchased from the Montreal Light, Heat and Power and Shawinigan Companies.

Development Work.

"The electric plants at St. Johns, St. Hyacinthe, and Drummondville have been modernized and placed in a high state of efficiency, and the service has been considerably extended. High tension transmission lines have been constructed at St. Hilaire and St. Hyacinthe. A transmission line has been constructed under an arrangement with the Shawinigan Water and Power Co., from Windsor Mills to Sherbrooke.

The franchises of the company have been supplemented by contracts with St. Hyacinthe, Beloeil, St. Hilaire, St. Mathias, and St. Hughes, which are now operative. The municipal plants at Drummondville have been purchased and taken over along with contracts for municipal street lighting and pumping.

President McCuaig reported that considerable other development work had been done during the year.

'The executive has been strengthened by the election of F. W. Teele, former general manager of the Porto Rico Railways Co., to the position of vice-president, and of W. C. Hawkins, managing director of the Dominion Power & Transmission Co., to the Board of Directors.

No Financial Statement.

No financial statement was given out, it being explained that the company was still in process of development, with a large part of its work unfinished. THE POST has learned, however, that the company has been able to pay all its fixed charges and has a substantial surplus on the year's operations. No dividends are expected before 1920 at least.

Last available figures, for the year ending September 30, 1915, showed gross earnings of $120,377, operating expenses of $59,258, and total revenue of $61,636, including $517 from non-operating account; bond interest, etc., took $39,789, leaving a surplus for the year of $21,847; total surplus, $29,784. The capital stock amounts to $3,000,000, and the funded debt $914,618, the latter consisting of $755,300 Southern Canada Power 6's; $59,000 St. John's Electric Light Co. 6's; $31,500 St. Hyacinthe Gas, Electric and Power Co.'s 5's, and $38,102 Town of Drummondville 5's.

LONDON.

Head Office of Woodmen of the World to be Located in New Building.

A deal was completed last week by which the building and all furnishings of the Travelers' Club, in London, Ont., became the property of the Woodmen of the World. The purchase price was $22,500. The Woodmen will locate their head office there, and will also fit it up as a meeting place and home for members. Possession was given on January 10. The arrangements were made by Clair Jarvis, of London. Controller J. H. Saunders and Dr. Harrison, of Toronto, representing the W.O.W., and Chas. McGuire, J. L. Whitehead, S. F. Glass, George Detlor and Ray Lawson, acting for the Travelers' Club stockholders.

INTERESTING FACTS

concerning the work of the Canadian Red Cross and the aid it gives the sick, the wounded, and the captured

ESTIMATE OF COMMITMENTS AND EXPENDITURES OF THE CANADIAN RED CROSS SOCIETY FOR THE YEAR 1917.

Canadian Red Cross Hospital at Vincennes—a gift to the French Government	$150,000
Princess Patricia Canadian Red Cross Special Hospital	100,000
Prisoners of war, food allowance, $10 each per month	300,000
Maintenance (extra) of Canadian Red Cross Hospitals	100,000
Ten Verandah Wards in Canadian Army Medical Corps Hospitals, $3,000 each	30,000
Rents and rates of English offices	20,400
Scottish Women's Hospitals Grant	10,000
Yarn to be knit into socks	35,000
Gauze and cotton shipped in bulk as requested	5,790
Serums	1,700
Peaches and fruit	12,000
Regulation Red Cross shipping cases	25,000
All rents, wages and office expenses in Canada	13,000
Postage, cables, printing and stationery	15,000
St. John Ambulance Brigade grant for expense of nurses and orderlies	50,000
Purchase of supplies in Canada—blankets, towels, tobacco	300,000
Purchase of supplies in England—drugs, hospital furnishings, etc.	200,000
Insurance	500
Total	$1,368,890

CHRISTMAS FACTS ABOUT THE CANADIAN RED CROSS SOCIETY.

Lady Drummond's parcel department of the Canadian Red Cross office in England sent out 22,000 Christmas parcels to wounded and sick Canadians in the week before this last Christmas.

These parcels for Canadian boys were filled with supplies sent from Canada, and tied up by Canadian girls now resident in England. What a delight to our wounded boys on Christmas morning!

The Canadian Red Cross provided the necessary organization for collecting and despatching these supplies from Canada and distributing them to the boys scattered in hundreds of hospitals in England and France. Their names are all on the Red Cross books.

* * * *

There was turkey for dinner, and plum pudding and fruit on Christmas Day in the Canadian hospitals overseas. How did it get there?

Because the people of Canada gave the funds, and the Canadian Red Cross found out from the officer commanding each hospital what his patients and staff needed to give them a real good spread on Christmas Day, and saw that they got it.

* * * *

On Christmas morning 26,559 Canadian soldiers in hospitals in England and France found a Christmas stocking hanging on their beds. How did they get there?

The women and children of Canada made and filled them; the men helped to pay for their contents, and then the Canadian Red Cross collected them in Canada, shipped them overseas and distributed them to the boys on Christmas Day.

TORONTO SENT 6,922 STOCKINGS!

SOME OF THE LARGER GRANTS AND EXPENDITURES MADE DURING 1915-1916 BY THE CANADIAN RED CROSS SOCIETY.

EQUIPMENT OF HOSPITALS AND HOMES.

Duchess of Connaught Red Cross Hospital at Cliveden	100,000
King's Canadian Red Cross Hospital, Bushey Park	75,000
Canadian Special Red Cross Hospital, Buxton	25,000
Rest Home for Canadian Nurses (Overseas)	10,000
Recreation Rooms for Canadian Army Medical Corps and Red Cross Hospitals	125,000
	$335,000

MONEY GRANTS.

British Red Cross Society		$ 50,000
French Red Cross		73,000
French Wounded Emergency Fund		15,000
Scottish Women's Hospitals at Royaumont		20,000
Exclusive of supplies to value (approx.)	$200,000	
Serbia, Belgium, Montenegro, Italy, Rumania, Russia		55,000
Hospital Fund of Canadian War Contingent Assoc.		30,000
St. Dunstan's Training Hostel for Blind Soldiers		20,000
Grants to Hospitals in England for Canadian Soldiers		6,500
To St. John Ambulance Brigade for Nurses and Orderlies for Overseas		50,000
Military Hospitals in Canada (ambulances, supplies, etc.)		10,500
		$280,000

THE CANADIAN RED CROSS FEEDS AND CLOTHES THE CANADIANS IN GERMAN PRISON CAMPS.

The Canadian Red Cross feeds 2,196 Canadian prisoners of war in 91 German camps.

2,196 prisoners cost, approximately,	Each prisoner costs, approximately,
$263,520 a year	$120 a year
21,960 a month	10 a month
5,490 a week	2.50 a week
784 a day	.35 a day

In what way can a Canadian spend 35 cents better than in providing necessary, nourishing food for our Canadian brothers daily suffering for us?

There are 2,196 Canadian prisoners of war on the books of the Canadian Red Cross Society. These men are confined in over ninety prison camps. Each man receives weekly 6 lbs. of bread (4 lbs. being sent from Switzerland and 2 lbs. from Holland) besides weekly parcels of food to the value of about $2.00 each parcel. The expense of feeding a prisoner now amounts to about $10 a month. The expense of providing this food is met—

(a) By specially designated gifts of money sent in to the Canadian Red Cross, or directly addressed to Mr. Rivers Bulkeley who is in charge of this department of the Society's work at the London office.

(b) From the general funds of the Canadian Red Cross Society, subscribed by the public in Canada.

One of the greatest difficulties in dealing with the needs of the prisoners is that they are so constantly moved from camp to camp; the Red Cross receives official notification of these changes.

Warm clothing and certain medical supplies are also permitted to be sent to the prisoners by the Red Cross Society.

The above figures will show the very heavy liability undertaken by the Society in the provision of supplies for prisoners, involving an outlay of nearly $22,000 a month or about a quarter of a million a year.

In addition to its other forms of work the Society has received, packed in regulation cases, transported and distributed overseas, supplies to the approximate value of:—

$8,000,000.00

The Society's reserve of stores is now practically exhausted.

CAMPAIGN
HEADQUARTERS
15 KING ST. E.
(NORDHEIMER BUILDING)
PHONE: 2½ MILLIONS

"SERVE·BY·GIVING" CAMPAIGN

Patriotic Fund and Canadian Red Cross Appeal

President
SIR WILLIAM MULOCK

Hon. Treasurer
E. R. WOOD

Campaign Organizer
W. S. DINNICK

In Four days
Jan. 23-24-25-26th
TWO AND A HALF
MILLION DOLLARS